

UNCLASSIFIED

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

132 p.

BOLIVIA
PROJECT PAPER
RURAL DEVELOPMENT PLANNING

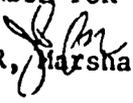
Project Number: 511-0471

4/28/78
LAC/DR: 78-10

UNCLASSIFIED

APR 26 1978

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM: LAC/DR,  Marshall D. Brown

Problem: Authorization of a \$2.5 million Rural Development Planning Grant to Bolivia.

Discussion: The purpose of the proposed project is to improve the technical consistency and rural focus of the Bolivian development planning system. The project is designed to make systematic improvements in planning and project preparation and implementation at the departmental and national levels, emphasizing activities which directly affect the rural sector. An improved planning capability should result in improved coordination among on-going and planned projects funded by the GOB and departmental committees as well as by external donors. More efficient use of GOB development resources should thus result, and the quality and quantity of projects directed to the rural sector should improve.

Within the national planning system, the project focuses on the Ministry of Planning and Coordination (MPC) and the departmental development corporations (DDCs) in the five departments of Pando, Beni, Tarija, Potosi and Chuquisaca, in order to increase the scope and effectiveness of rural development programs, including those addressing rural-urban development linkages, in these areas. Although the project will focus on the national and departmental levels of the planning system, coordination with the sectoral level of the system (i.e., the sectoral ministries) will be an important element of the project.

The cost of the project over the three year implementation period will be \$3,600,000. AID will provide \$2,500,000 in grant funds for 21 work years of long term and 3 work years of short term technical assistance in various aspects of planning and on the job training to the participating development corporations and the MPC. AID funds will also finance in-country training courses, workshops, materials office equipment and vehicles. The GOB will contribute \$1,100,000 for salaries of counterpart personnel, operating expenses, short-term training courses, materials, studies, and in-country travel and per diem. The GOB contribution accounts for 30.5 percent of total project cost, thus satisfying the requirements of Section 110(a) of the FAA.

The DAEC reviewed and approved the project on March 31, 1978, with the following modifications to the Project Paper: (1) that the annual evaluation reports include an examination of target group

participation in the identification, selection and implementation of projects; (2) that a special covenant be included in the project agreement providing for a joint evaluation of the project based upon a plan prepared by the Ministry of Planning; and (3) that a covenant in the project agreement provide for adequate GOB budget allocation to the National Institute for Public Administration to cover the costs of additional training and materials reproduction.

The project is included in the FY 1978 Congressional Presentation, but at funding levels below those presently proposed in the PP. An Advice of Program Change was therefore prepared and forwarded to Congress on April 11, 1978. Two weeks have passed since that time, and the project may now be authorized.

Recommendation: That you sign the attached Project Authorization and Request for Allotment of Funds, thereby authorizing USAID/Bolivia to negotiate and sign a Project Agreement for the Rural Development Planning Project.

Attachments: TAB A - PAF
TAB B - Project Paper

AGENCY FOR INTERNATIONAL DEVELOPMENT
**PROJECT AUTHORIZATION AND REQUEST
 FOR ALLOTMENT OF FUNDS PART I**

1. TRANSACTION CODE

A ADD
 C CHANGE
 D DELETE

PAF

2. DOCUMENT CODE
 5

3. COUNTRY/ENTITY
 BOLIVIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)
 [511-0471]

6. BUREAU/OFFICE

A SYMBOL [LA] B CODE [05]

7. PROJECT TITLE (Maximum 40 characters)

[Rural Development Planning]

8. PROJECT APPROVAL DECISION

ACTION TAKEN

A APPROVED
 D DISAPPROVED
 DE DEAUTHORIZED

9. EST. PERIOD OF IMPLEMENTATION

YRS. [0] [3] QTRS [2]

10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 78		H. 2ND FY 79		K. 3RD FY 80	
		C GRANT	D LOAN	F GRANT	G LOAN	I GRANT	J. LOAN	L GRANT	M. LOAN
(1) EHR	B-270	B-200		975		265		510	
(2) SD	701	701		250					
(3)									
(4)									
TOTALS				1,225		265		510	

A. APPROPRIATION	N. 4TH FY 81		Q. 5TH FY		LIFE OF PROJECT		11 PROJECT FUNDING AUTHORIZED	
	O. GRANT	P. LOAN	R GRANT	S. LOAN	T GRANT	U. LOAN	A. GRANT B. LOAN	
(1) EHR	500				2,250		(ENTER APPROPRIATE CODE(S)) 1 - LIFE OF PROJECT 2 - INCREMENTAL LIFE OF PROJECT C PROJECT FUNDING AUTHORIZED THRU FY [8] [1]	
(2) SD					250			
(3)								
(4)								
TOTALS	500				2,500			

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)

A. APPROPRIATION	B. ALLOTMENT REQUEST NO. #3	
	C. GRANT	D LOAN
(1) Ed	975	
(2)		
(3)		
(4)		
TOTALS		

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chief, SER/FM/FSD/ F-CD)

SIGNATURE

DATE

Hannie Baker Jr

4-28-78

14. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 LOCAL OTHER

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY

16. AUTHORIZING OFFICE SYMBOL

17. ACTION DATE

MM DD YY

18. ACTION REFERENCE (Optional)

ACTION REFERENCE DATE

MM DD YY

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

**ASSISTANT
ADMINISTRATOR**

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

Name of Country:	Bolivia
Name of Project:	Rural Development Planning
Project Number :	511-0471

Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, and in furtherance of the Alliance for Progress, I hereby authorize a grant in an amount not to exceed Nine Hundred Seventy-Five Thousand United States Dollars (\$975,000) (the "Grant") to the Republic of Bolivia ("Government of Bolivia") to assist in financing certain foreign exchange and local currency costs of goods and services required for a project (the "Project") which consists of long and short-term technical assistance in various aspects of development planning, project implementation and training for the participating development corporations and the Ministry of Planning and Coordination, including the provision of materials, office equipment and vehicles.

I approve the total level of A.I.D. Latin America Bureau appropriated Grant funding planned for the Project of not to exceed Two Million Two Hundred Fifty Thousand United States Dollars (\$2,250,000) including the funding authorized above. The Latin America Bureau Grant funding will be incrementally provided during the period FY 1978 through FY 1981 subject to satisfactory compliance with Congressional notification requirements and the availability of funds in accordance with A.I.D. allotment procedures.

Additionally, \$250,000 in A.I.D. funds for similar purposes has already been authorized outside of this Grant under a DS/UD regional grant project (Urban Functions in Rural Development). Such amount will be added to the Project in FY 1978 for a total life-of-Project funding of \$2,500,000.

Subject to these conditions, I approve obligation of the initial increment of Grant funding (\$975,000) in FY 1978 and subsequent increments thereafter. I also approve the inclusion of \$250,000 in FY 1978 for the Project, in DS/UD funds already authorized, in addition to the Grant, which will be obligated for the Project upon signing of the Project Agreement.

I hereby authorize the negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, subject to the following essential terms, covenants and major conditions together with such other terms and conditions as A.I.D. may deem appropriate:

1. Source and Origin of Goods and Services

Except as A.I.D. may otherwise agree in writing, and except for ocean shipping, goods and services financed by the Grant shall have their source and origin in countries included in A.I.D. Geographic Code 000 or Bolivia. Ocean shipping financed under the Grant shall have its source and origin in any eligible country except Bolivia.

2. Conditions Precedent to Initial Disbursement

Except as A.I.D. may otherwise agree in writing, prior to any disbursement or to the issuance of any commitment documents pursuant to which disbursement will be made under the Project Agreement, the Government of Bolivia will furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) an operational plan for the Project which includes a detailed scope of work for the technical assistance team as well as a definition of the respective roles and responsibilities of the Regional Planning Division of the Ministry of Planning and Coordination, and departmental development corporations of Pando, Beni, Chuquisaca, Potosi and Tarija, and the personnel in these entities who will serve as counterparts to the technical assistance team;

(b) a financial plan which details over a three-year period the Government of Bolivia contribution to the Project and which indicates that funding is authorized for the Project; and

(c) a time-phased plan for the provision of required counterpart personnel.

3. Special Covenants

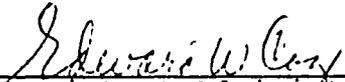
Except as A.I.D. may otherwise agree in writing, the Government of Bolivia will covenant that:

(a) adequate operating budgets will be provided to each departmental development corporation;

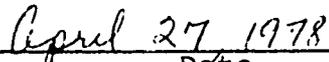
(b) the National Institute of Public Administration's (ISAP) budget will be adequate to cover increased training and material reproduction costs which result from the project;

(c) planning techniques and training materials developed will be used in the preparation of annual operation plans and in the identification, evaluation and design of projects which are consistent with these plans; and

(d) an annual joint Government of Bolivia/USAID evaluation will be conducted based on an evaluation plan prepared by the Ministry of Planning and Coordination.

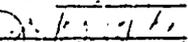


Assistant Administrator
Latin America Bureau



Date

Clearance:

GC/LA, JLKessler 	Date _____
LA/DR, MBrown 	Date _____
LA/DR, WSticke 	Date _____
LA/SA, JEyre 	Date <u>4/26</u>

GC/LA, TLGeiger: lb:4/5/78

PROJECT REVIEW PAPER FACESHEET

CODE
A ADD
B QUANT
C DELETE

PRP

3. COUNTRY/ENTITY BOLIVIA		4. DOCUMENT REVISION NUMBER	
5. PROJECT NUMBER (7 digits) 511-0471		6. BUREAU/OFFICE A SYMBOL LA B. CODE 3	
7. PROJECT TITLE (Maximum 40 characters) Rural Development Planning		8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION A. INITIAL FY 718 B. FINAL FY 719	
9. PROPOSED NEXT DOCUMENT A 3 PP B. DATE 04 7 18			

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L'C	D. TOTAL	E. FX	F. L'C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(845)	()	(845)	(845)	(-)	(845)
(LOAN)	()	()	()	()	()	()
OTHER 1.						
U.S. 2.						
HOST COUNTRY		185	185		370	370
OTHER DONOR(S)						
TOTALS	845	185	1,030	845	370	1,215

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EHR	B280	B200		845	-	845	-
(2)							
(3)							
(4)							
TOTAL				845	-	845	-

12. PROJECT PURPOSE (Maximum 480 characters) "X" IF DIFFERENT FROM PID

To improve the planning and coordination system in the Departments of Pando, Beni, Cochabamba and Santa Cruz and in the Bolivian Ministries of Agriculture, Education, and Health.

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15? IF YES, ATTACH CHANGED PID FACE SHEET.

2 1 = NO
2 = YES

14. PLANNING RESOURCE REQUIREMENTS (Staff/Funds)
2 Planning Specialists - 3 weeks each \$10,000

15. ORIGINATING OFFICE CLEARANCE		16. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
SIGNATURE <i>Charles J. Workman</i>	DATE SIGNED MM DD YY 11 12 716	
TITLE Associate Director USAID/B		MM DD YY

PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

A

PID

3. COUNTRY: **BOLIVIA** DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): **[511-0471]**
 6. BUREAU/OFFICE: A. SYMBOL **LA** B. CODE **[3]**
 7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): **[RURAL DEVELOPMENT PLANNING & ADM.]**

8. PROPOSED NEXT DOCUMENT
 A. **[2]** 2 = PRP
 3 = PP
 B. DATE **[10] [7] [8]**

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 20.38)

FUNDING SOURCE		BASES
A. AID APPROPRIATED		770
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		230
D. OTHER DONOR(S)		
TOTAL		1,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY **[7] [8]** b. FINAL FY **[7] [9]**

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	B280	B200		620		770	
(2)							
(3)							
(4)							
TOTAL				620		770	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
710 **210**

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH): **BR**
 14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 The Project's goal would be to improve Bolivia's rural development planning and coordination capabilities.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 The specific purposes of the proposed project would be: (i) to establish a system to integrate regional development committees into the national planning process, both at the planning stage and at the project implementation stage, and (ii) to maximize the impact of AID resources through the creation of a system of implementation involving national and departmental level entities.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Two Regional Economic Planning Specialists - 1 man month each
 TOTAL COST \$10,000

18. ORIGINATING OFFICE CLEARANCE
 Signature: **John R. son**
 Title: **Director SAID/Bolivia**
 Date Signed: **MM DD YY [16] [2] [7] [8]**

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

(i)

RURAL DEVELOPMENT PLANNING

(511-0471)

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PART I SUMMARY AND RECOMMENDATIONS

A. Face Sheet

B. Recommendations

Based on the findings during intensive review of the Rural Development Planning Project, it is the opinion of the Project Committee that the following be submitted for AID approval:

- Development Grant	\$2,250,000
---------------------	-------------

The project will also include a component focusing on urban functions in rural development. The \$250,000 cost of this component will be funded under a DS/UN regional grant project. Total cost of the proposed project, therefore, is \$2,500,000.

C. Description of the Project

The grantee will be the Government of Bolivia (GOB). The executing agency will be the Ministry of Planning and Coordination (MPC).

The proposed project is designed to utilize the existing strengths of the Bolivian planning process while attempting to resolve those problems within the system which may undermine its effectiveness. The objective of the project is to make systematic conceptual and technical improvements in plan preparation and project preparation and implementation at the departmental and national levels, emphasizing the former level and activities which directly affect the rural sector. An improved planning capability will result in improved coordination among on-going and planned projects funded by the GOB and departmental committees as well as by external donors. More efficient use of GOB development resources should thus occur, and the quality and quantity of projects directed to the rural sector will improve.

The goal of the project is to improve the standard of living of the rural poor by improving the Bolivian departmental and national planning system. The purpose of the project is to improve the technical consistency and rural focus of this planning system, including project implementation. Within this national planning system, the project focuses on the Ministry of Planning and Coordination (MPC) and the departmental development corporations (DDCs) in the five departments of Pando, Beni, Tarija, Potosí and Chuquisaca in order to increase the scope and effectiveness of rural development programs, including the integration of rural-urban development, in these areas. Although the project will focus on the national and departmental levels of the planning system, coordination with the sectoral level of the system (i.e., the sectoral ministries) will also be an important

element of the project. Since the Mission is already providing technical assistance in planning to the Ministries of Health, Education and Agriculture, however, no additional technical assistance at the sectoral level is planned under this project. Rather, meetings will be held between the advisors of the various projects to ensure coordination among the national, sectoral and departmental levels of the planning system.

Project funds will provide 21 work-years of long-term and three work-years of short-term technical assistance in various aspects of planning and on-the-job training to the participating development corporations and the MPC. As the principal component of the project, the technical assistance will absorb \$2,122,000 of the total AID contribution. One year of long-term participating training will be provided to a staff member from the National Institute of Public Administration (ISAP) to help institutionalize the capability of ISAP to conduct training courses in development planning and project implementation. The remainder of project funds will finance in-country training courses, workshops, materials, office equipment and vehicles. The GOB contribution (\$1.1 million) will finance the salaries of counterpart personnel, operating expenses, short-term training courses, materials, studies, and in-country travel and per diem.

The long-term assistance will be provided by a seven person team. The team will include three regional planners, two operations management specialists with expertise in systems analysis and project design and implementation, an agriculture sector development planner, and a specialist in integrated rural development. Part II B.3 contains a detailed description of the functions each of these technicians will provide. The short-term technicians will be called upon for assistance on specific development problems (either in design or implementation) which are outside the expertise of the long-term advisors.

A central feature of the project is the assigning of technicians to work directly with counterparts in the participating departmental, development corporations. A detailed assessment of each participating corporation has been conducted, the specific planning needs of each identified, and the composition of the technical assistance team designed specifically to address those needs.

In addition to working directly with counterparts, the long-term advisors will develop training courses and supportive training materials focused on the Bolivian planning process. Five short-term courses have been planned over the life of the project. These courses will not be limited to the staffs of the participating corporations but will be open to all nine corporations. The training materials will also be widely distributed by the MPC.

The training program will function under the auspices of ISAP and will initially be supported by short-term advisors, in addition to the long-term technicians. Up to four months of short-term assistance has been programmed for this purpose. The project will also assist in upgrading the institutional capability of ISAP to conduct these courses through the provision of long-term training for one staff member. This training will focus on development planning theory as well as techniques in teaching courses on project analysis and implementation and development planning.

One member of the technical assistance team will be a specialist in urban functions in rural development and will provide training in applying integrated rural-urban approaches in development planning, both directly in the Department of Potosí where the technician will be assigned and indirectly through a series of five workshops to be held in Potosí and other departments. Funding from a regional DS/UD grant project will support this integrated rural-urban development component of the project.

D. Summary Findings

The Project Committee has determined that the proposed activities are technically and financially feasible for completion within the proposed disbursement period of three years. Analysis of the current planning system indicates that the project addresses a central need in the Bolivian planning process, and that a project of technical assistance and training will make a significant contribution to meeting this need. Additionally, the new Mission DAP strategy proposes increased collaboration with the departmental corporations in the development of projects aimed at the rural sector and which will impact on the target group. The project, therefore, will serve to strengthen the corporation's planning and project design and implementation capabilities as a prelude to increased collaboration, and will lead to a more effective and efficient use of scarce development resources.

The institutions involved at the national and departmental levels indicate that they have both the interest and capability to realize the potential of the project.

E. Project Issues

1. Project Strategy

The new Mission strategy for its program in Bolivia (see Part II A.2 for a discussion of the new DAP strategy) has led to an increased priority for the proposed project. As part of its new strategy, the Mission intends to work closely with the departmental development corporations -- particularly in the five departments selected to participate in this project -- and, to the extent feasible, focus its project support on the needs identified by the corporations.

Project strategy, as originally proposed in the PRP, has not been altered significantly by the new DAP strategy; assistance to improve the existing planning system remains the focus. To be consistent with the DAP strategy and increased priority for the project, however, the geographic focus has been shifted and the level of effort (i.e., amount of technical assistance) intensified over a longer period of time (see Part II B. for details on project design). Also, since the sectoral ministries are currently receiving technical assistance in planning under other Mission projects, assistance under this project will be limited to the MPC and departmental corporations.

Other design alternatives were considered by the Project Committee during intensive review. However, given the shift in the Mission's strategy and the assistance in planning currently being provided, the methodology proposed for this project is considered to be most responsive in meeting the requirements of the GOB.

2. Project Cost

The \$2.5 million funding level proposed for the project represents a three-fold increase over the \$845,000 level proposed in the PRP. This increase is due primarily to two factors: (1) the addition of the urban functions in rural development component (which will be funded by a regional DS/US grant project), and (2) the increase in the amount of technical assistance to be provided under the project. Associated with the latter factor is a 10 percent increase in the cost of long-term assistance and a 40 percent increase in the cost of short-term assistance since preparation of the initial cost estimates in the PRP.

In response to DAEC concerns regarding the level of effort proposed in the PRP, the amount of long-term technical assistance has been increased from ten to twenty-one work-years, and short-term assistance has been increased from one to three work-years. The costs associated with these increases account for 77 percent (\$1,277,000) of the total increase in project cost. Additional funds for training costs, materials, equipment, vehicles and inflation and contingency factors account for the remaining 23 percent of the increase in project cost.

3. DAEC Issues

Following are responses to issues raised by State 303118 of December 15, 1976 (Annex A) or references to the sections of the LPP which address the issues:

a. Long-term Institutional Capability - The National Institute of Public Administration (ISAP) will participate in the development and

leadership of the training courses to be provided by the project. In addition to working in conjunction with the long-term technicians in developing training courses and the training materials to be used in the courses, up to four months of short-term technical assistance will be provided to ISAP to further develop its capability to provide training courses on a permanent basis. Also, long-term training for one ISAP staff member has been incorporated into the project.

Project design now provides a total of 21 work-years of long-term technical assistance. In addition, three work-years of specialized, short-term technical assistance will be provided. All of this assistance will be focused on the specific planning, design and implementation needs of the participating corporations. By directly focusing this increased amount of assistance in the above manner, it is our opinion that the institutional capability of the corporations will be adequately strengthened.

b. Project Life and Level of Effort - The life of the project has been extended from two to three years. Within this time period, a more intensive level of effort is proposed by providing a seven-person technical assistance team (21 work-years) rather than a five-person team (10 work-years). The amount of short-term technical assistance has also been increased by two years.

At the departmental level, there will be six technicians instead of the three proposed in the PRP. The mix of technicians has been designed to be responsive to the specific needs of the department corporations. Because the Mission is currently providing assistance in planning to the sectoral ministries of Health, Education and Agriculture, assistance initially contemplated for these ministries has been eliminated. As a result, the efforts of the technicians will be concentrated on the department corporations.

c. Geographic Focus - See Part II B. 2.

d. Replication - The project will directly assist five of the nine departmental corporations in Bolivia. The remaining four will have the opportunity to participate in the training courses developed by the project (and will be encouraged to do so) and will also receive the training materials prepared under the auspices of ISAP and the MPC. In addition the four departments excluded from direct participation in the project are currently receiving technical assistance in planning from other donors: Santa Cruz and Cochabamba from the Government of Germany, and Oruro and La Paz from the UN. Planning techniques developed by the project will also be transferred to the ministries through their participation in planning courses and receipt of the training materials developed for the courses, and to the other departmental corporations through the latter mechanism.

related parts

e. Decentralization and Target Group Participation - The degree of regional decentralization provided for within the centralized planning effort is discussed in detail in Annex E. Target group participation in the planning process is discussed in Part III C.

F. Composition of the Project Committee:

Eric Chetwynd, Jr.	Deputy Director, Office of Urban Development, Development Service Bureau, AID/W.
Edward L. Kadunc, Jr.	Project Coordinator, Development Resources Division, USAID/Bolivia.
Kevin Kelly	Office of Development Resources, Latin America Bureau, AID/W.
Amedee S. Landry	Chief, Health and Humanitarian Assistance Division, USAID/Bolivia.
Luis Montero	Financial Analysis and Review Section, Controller's Office, USAID/Bolivia.
Jean H. Meadowcroft	Human Resources Div., USAID/Bolivia
Nancy L. Ruther	Nutrition Officer, Health and Humanitarian Assistance Division, USAID/Bolivia.
Bastiaan Schouten	Deputy Chief, Rural Development Division, USAID/Bolivia.
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PART II PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. Background

1. Priority and Relevance

In Bolivia, perhaps more than in most countries, balanced development requires a highly efficient planning effort. Such planning must be capable of rendering compatible the needs of individual departments with national development priorities in both global and sectoral terms. Bolivia's rugged topography and underdeveloped transportation system, the diversity of its economic regions, the heterogeneity of its ethnic and cultural composition, the uneven distribution of its population and natural resources, and the sharp differences in income, wealth and life styles, both between classes and regions, makes for a nation encompassing highly different needs, aspirations and potential. Bolivia's task is not only development; it is at the same time also to fashion an integrated economy and society in which a proper balance exists between the traditional export-oriented minerals sector, a viable industrial sector based in large part on the nation's mineral wealth, and a more modern and productive agricultural sector, both as a market and as a source of food for the expanding urban centers.

The "dual economy" feature -- characteristic of many developing countries -- is particularly prominent in Bolivia. The "modern" sector of the economy, built around the extractive industries and expanding processing and manufacturing activities, is dynamic but small in terms of the proportion of the labor force engaged in that sector. The "traditional" sector of bare-subsistence farming, which comprises over half of the population, is virtually stagnant and non-innovative. A recent study has shown that rural mean net household per capita cash incomes for this sector is only \$49 - \$104 annually in Potosí, Tarija, and Chuquisaca. 1/

Since the nationalization of the tin mines and the land reform of 1953, successive governments have been concerned with the need to reduce this sharp duality and place the focus of economic and social policy on the campesino. Promoting the development and expansion of the sources of the country's traditional wealth and income, in order to raise rural living standards, has been a rather consistent strategy of governments over the past two decades. Some governments have pushed harder than others, and at various times the vicissitudes of international metals and minerals markets have militated against greater progress

1/ James T. Riordan, "An Assessment of the Target Regions for USAID/Bolivia's Agricultural Sector Loan II," July 1977, p.13. See also the target group analysis, Part III C.

in bridging the gap.

The complexities of Bolivian development are such as to make planning an indispensable tool for overcoming the host of inherent handicaps and realizing the country's full potential. It is now generally recognized that without effective planning there is little chance that Bolivia can achieve a more balanced economy and equitable society. In the absence of appropriate criteria and methods for resource allocation in accordance with established development objectives and priorities, Bolivia's development would probably lead to a further accentuation of the already marked duality that characterizes the economy.

In this sense, Bolivia's planning effort is necessary precisely because of the need to correct the imbalance between the modern and traditional sectors of the economy and to raise the income and welfare of the marginal rural population. If there were no desire to obliterate the sharp duality of the economy and of society, which is the result of the peculiar configuration of the country's physical economic, social, cultural, and historical characteristics, planning could be merely indicative and need not be as centralized or comprehensive as is actually the case. The development of an effective planning structure and process and the organization of an efficient system of plan implementation, comprising the national, sectoral and regional levels, therefore, has become indispensable.

2. Relationship to the DAP Strategy

In accordance with the strategy presented in the 1973 DAP, the Mission's program has been characterized by a focus on the rural poor in a limited geographic area, primarily part of the southern valleys and Oriente, and specifically the Departments of Santa Cruz and Cochabamba. Several factors influenced the development of this strategy: a desire to avoid diluting the impact of relatively limited resources; a desire to profit from and build upon the experience gained through previous AID projects; recognition that the program area is the major source of Bolivia's agricultural production; a desire to achieve mutual interaction between AID programs and the large domestic and foreign investments in the area; and an implicit division of labor between AID and other donor efforts whereby AID would concentrate its efforts in the program area while other donors focused their efforts elsewhere, particularly in the altiplano.

While these factors remain important in developing a program strategy, changes in the FAA and subsequent AID policy to focus more sharply on assistance to the rural poor and small farmers have necessitated a reassessment of the Mission's strategy. In undertaking this

reassessment, particular attention has been given to developing types or mixes of programs -- and a manner of implementation -- that will focus the Mission's assistance more directly on the target group.

Based on this reassessment, two changes regarding the Mission's overall program are being proposed in the strategy being formulated in the Mission's new DAP: first, a geographic sense, the area of program activities will be expanded; and, second, in addition to working with the central ministries, the Mission proposes to work closely with the departmental development corporations on project identification, design and implementation.

Three factors can be cited for the expansion of the geographic focus: (1) efforts by the Mission to improve its definition of the target group have generated data which indicate that appropriate target group populations exist outside the previous areas of geographic concentration; (2) analysis of other donor activities show that less than 15 percent of the funding for their activities is being invested in the areas proposed for this project; and (3) based on a variety of socio-economic parameters (e.g., net per capita income, life expectancy, sanitary conditions, educational facilities, etc.) the proposed project areas are generally in the lower one half or one-third of the rankings of all the departments, thus indicating that segments of the rural poor in greatest need dwell in these areas.

In proposing to work with the departmental corporations, the Mission recognizes their role as an integral part of the Bolivian planning process and believes that, by working at this level, projects will be designed which will not only benefit the target group but will also provide an opportunity for members of the target group to participate directly in the identification and implementation of projects designed to address their specific needs.

The DAP recognizes that the success of this new strategy will depend on the planning capability of the departmental corporations as well as their ability to implement and evaluate projects. In addition, to be consistent with the overall goals of the Bolivian economy, the planning done at the departmental level must be coordinated with the guidance prepared by the MPC and set forth in the Five Year Plan and Annual Operating Plan. Thus, the objective of the proposed project is to make conceptual and systematic improvements in plan preparation and project preparation and implementation at the departmental and national levels. In this manner, the coordination among on-going and planned development projects by the GOB, the departmental corporations, USAID and other external donors will improve. The result will be more an efficient use of development resources and an improved quality and quantity of projects.

To support this new strategy, the Mission is considering a project, possibly for FY 1980, which would assist departments in financing projects to help the rural poor. In

addition, it is expected that improved planning at the departmental level will help to assure the identification, selection and implementation of subprojects financed under other current and proposed Mission projects (e.g., Agriculture Sector II, Agribusiness and Artisanry, Rural Roads II, and Title III) which directly benefit the rural poor target group.

The proposed project, therefore, is the vehicle which will provide the foundation for the implementation of the new DAP strategy. As such, the Mission considers this project crucial to the success of the strategy.

3. Summary of the Bolivian Planning System

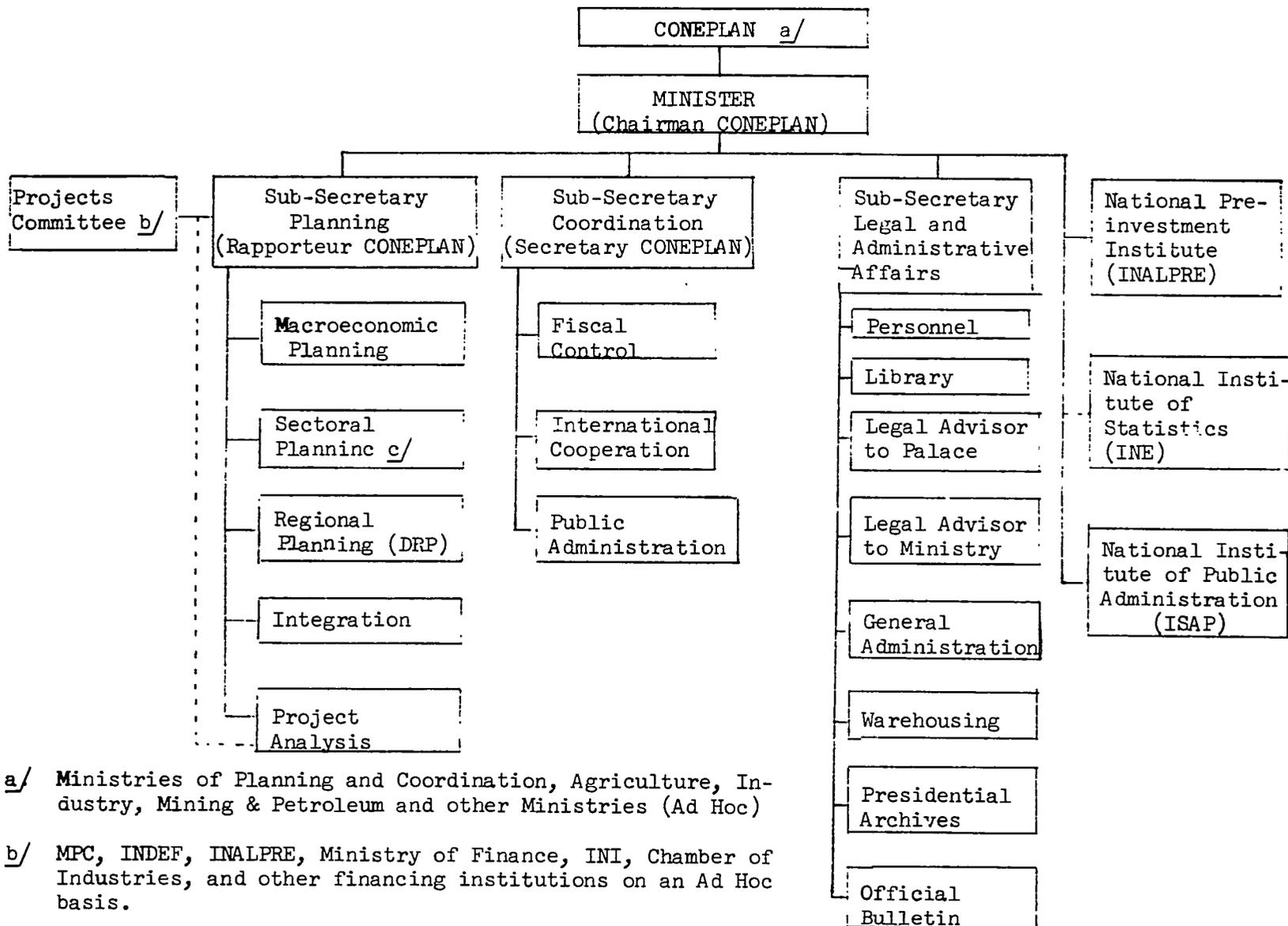
Bolivia has nearly two decades of experience in national planning. Successive governments have recognized that the development of the economy and raising living standards of the poorest segments of its diverse population requires a systematic and technically sound approach to planning. (The appropriateness and history of Bolivian national planning, as well as a discussion of the planning structure and process at the national, sectoral, and departmental levels, are discussed in detail in Annex E).

At the apex of the current Bolivian planning system stands the National Council of Economic Planning (CONEPLAN) which is an interministerial committee presided over by the Minister of Planning and Coordination. CONEPLAN is responsible for setting national developmental policy and priorities, approving the five year and annual plans, and monitoring their implementation through the Ministry of Planning and Coordination (MPC), the technical arm of CONEPLAN. The Sub-Secretary for Planning within the MPC is responsible for divisions carrying out the functions of macroeconomic planning, sectoral planning, departmental programming, and project analysis (see Figure 1 for the Ministry's Organization chart). Another agency within the MPC is the National Institute of Public Administration (ISAP) which provides various kinds of training throughout the government, including courses in project identification and preparation.

In the preparation of the five-year plans and the annual operating plans, the MPC receives sectoral plans from each of the national governmental ministries and departmental plans from the departmental development corporations. These sectoral and departmental plans consist mainly of descriptions of feasibility studies and investment projects which the various entities want to carry out in the planning period. The projects are received by the sectoral and regional divisions within the MPC and are reviewed by a Projects Committee before submission to CONEPLAN for approval (see Figure 2 for a view of the planning process). The final plan is decreed by the President of Bolivia.

Figure 1

Organization of Bolivian Ministry of Planning and Coordination

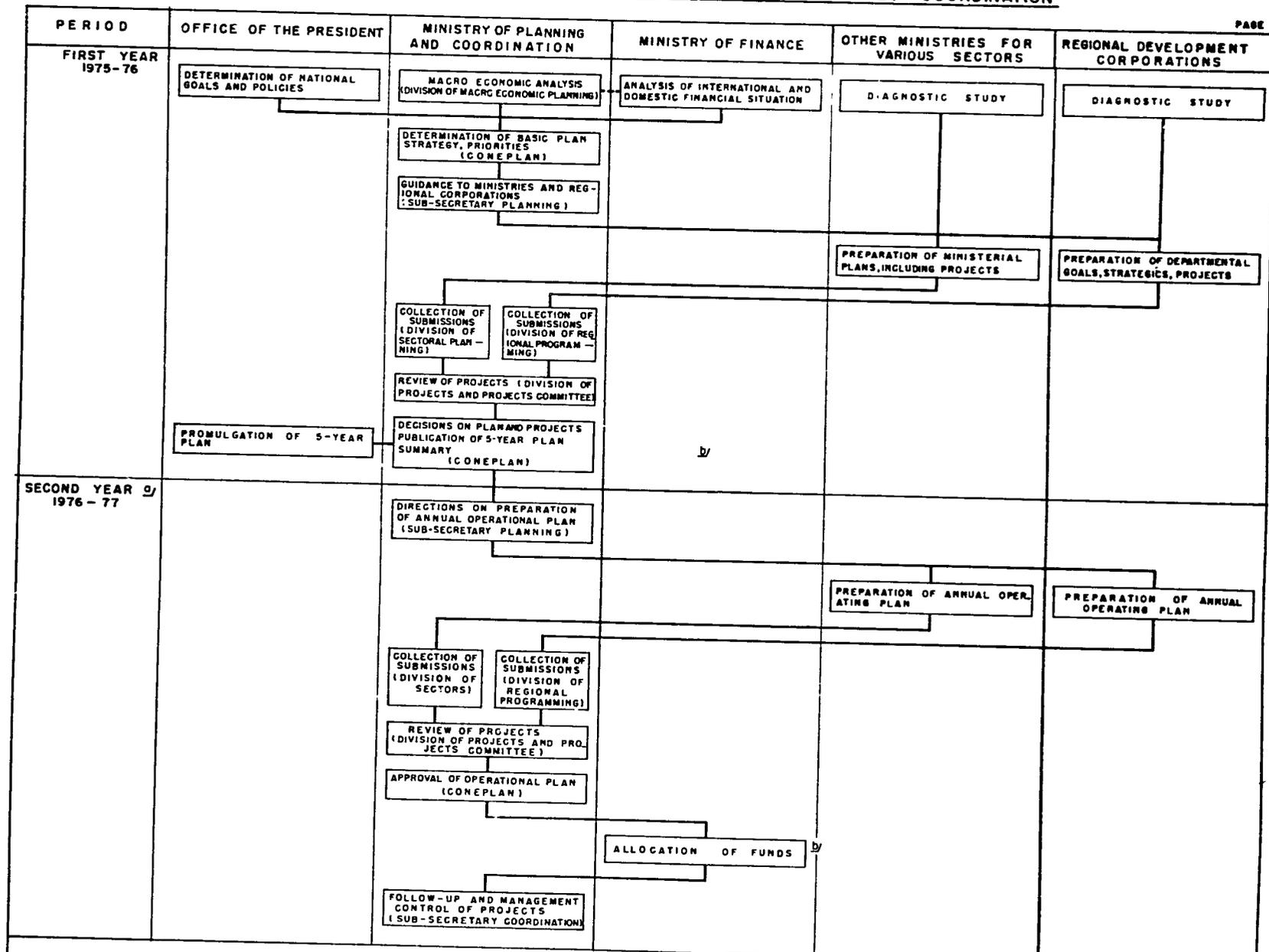


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- a/ Ministries of Planning and Coordination, Agriculture, Industry, Mining & Petroleum and other Ministries (Ad Hoc)
- b/ MPC, INDEF, INALPRE, Ministry of Finance, INI, Chamber of Industries, and other financing institutions on an Ad Hoc basis.
- c/ Currently includes Productive Sectors Planning (DPSP), Physical Infrastructure Planning, and Social Infrastructure Planning (DSIP).

FIGURE 2

THE BASIC PROCESS OF BOLIVIAN NATIONAL PLANNING AND PROJECT COORDINATION



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^{a/} IN SUBSEQUENT YEARS, THE REVISION OF 5-YEAR PLAN AND "ROLL OVER" OF ON ADDITIONAL YEAR ARE TO BE PART OF THIS PROCESS.
^{b/} THE ALLOCATION OF FUNDS FOR THE 1975-76 OPERATIONAL PLAN OCCURRED IN THE FIRST YEAR BUT WAS BASED ON THE PROCESS PRECEDING THE 5-YEAR PLAN AND IS NOT INCLUDED IN THIS DIAGRAM

The MPC provides basic guidance for sectoral and regional planning and attempts to integrate the various submissions, or at least to remove obvious duplications in projects. To date, however, the sectoral and regional plans are approved to a large extent as submitted. (This problem of lack of integration and coordination of the basic components of the national plan is one of the main issues to which the proposed project is addressed). Furthermore, no consistent methodology of project analysis is followed in the submission, thus making a rational allocation of resources among projects difficult.

Planning at the sectoral level takes place in planning departments established in the ministries and national corporations. The USAID sectoral assessments have identified specific problems in the planning performance of the sectoral ministries of agriculture, health, and education. The 1974 Agricultural Sectoral Assessment found an inadequate data base and a lack of personnel trained in economic planning techniques as crucial problems. According to the 1975 Health Sector Assessment, planning has not been an important factor in the determination of health programs, with project inputs being politically determined in response to locally initiated appeals for facilities and services. The 1974 Education Sector Assessment states that planning in education has been hampered by the existence of dual urban and rural systems, a lack of a reliable data collection system and information base, and an unreliable program planning and budgeting system. Although some of these problems have been addressed in previous years, most of them are still reflected in the five-year and annual planning documents prepared by the ministries.

The nine departmental development corporations plan feasibility studies and investment projects, financing their activities, mainly with funds allocated to the department from petroleum and mineral royalties and customs duties (some corporations are dependent on transfers from the national treasury for funds to finance their activities). The investment resources planned by the regions totalled \$81 million for 1977, about 11 percent of all the national investment directed to the departments. At present, the remaining 89 percent of investments are determined according to the plans submitted by the sectoral ministries and national corporations and approved by CONEPLAN. After elimination of some unwarranted duplication among projects, most submissions by a given department are accepted as submitted, provided they do not require funds exceeding the amounts available to the department.

Each of the departmental corporations was established at a different time although, once created, they shared a common purpose of promoting the development of the urban areas in the department capital. Their activities were the responsibility of the Ministry of Housing and Urban Affairs. Because they were established at

different times, the corporations have developed at different rates and have also adopted different operational structures and methods for developing plans for the department. With the creation, in 1974, of the MPC and the new planning system organized around CONEPLAN, the corporations and their operations were, in theory, incorporated into the new system and subordinated to the MPC. In practice, however, the corporations have not always presented their plans to the MPC but have continued to present them to the Ministry of Housing and Urban Affairs.

In February, 1978, the Bolivian Cabinet passed a new Law of the Departmental Development Corporations. This law strengthens the MPC as the responsible agency for guiding the development planning of the departments and for coordinating departmental and sectoral planning within the national development plan and priorities. The law clearly establishes the functions and lines of responsibilities of the corporations and also confirms the central role of each development corporation for planning within its own department.

The five departmental corporations chosen to receive direct technical assistance in this project share a number of common characteristics in their planning efforts. All have been enlarging their professional staffs and have at least one trained economist working on planning to some extent. CODETAR, the Tarija corporation, has a planning staff of nine persons. All the corporations have prepared diagnostic studies with outside assistance, and these studies help to identify priority areas for project activities. For the most part, however, most planning related work is concentrated on putting together a list of projects for the annual submission to the MPC, rather than on analysis of needs and setting of priorities and strategies as part of integrated planning (See Institutional Analysis for further discussion).

Despite the great number of planning problems indicated, the achievement of the GOB in preparing a 5-year plan for 1976-1980, and an **annual** operating plan for 1977 should be recognized. These plans are essentially project oriented and stress the GOE initiatives in the productive sectors (industry, mining, hydrocarbons, commercial agriculture) as the "engines of growth" that enable the GOB to make investment in the social sectors. The Plan identifies as an important objective balanced development from a geographic point of view.

In all, four positive features give a solid foundation for future improvement in planning: planning decisions are centralized so that the program coordination can be facilitated; the process recognizes the need for regional inputs from the departmental corporations; the project-oriented nature of the process assures that the plan can be implemented and does not stand just as a document of aspirations; and finally, the GOB is strongly committed to effective

national planning as evidenced by the effort and emphasis given to the 5-year and annual plans.

Analysis of the planning system, however, also indicates some serious deficiencies which could adversely affect the government's ability to allocate its investment resources effectively. These include a weak evaluation in the sectoral and regional planning submissions, inconsistent methodology for project analysis, and the inadequate coordination among participants in the planning system. *x problem* Finally, there exists an acute shortage of adequately trained technical personnel, not only in the MPC, but even more seriously, in the planning units of the departmental corporations.

4. Relationship to Other AID Activities

This project represents the first attempt by the Mission to focus comprehensively on the Bolivian planning process, either at the departmental or national level. Although the Mission has several projects which address the planning needs of specific ministries, they do not focus on the planning requirements per se of the departmental corporations.

Since their formation, these departmental development corporations have gradually increased both their geographic and sectoral coverage in their respective departments. Thus, while they were initially mechanisms for carrying out urban development projects in the departmental capitals, their activities today have expanded to include programs in rural infrastructure (roads, rural service centers, schools, etc.), agro-industries, agriculture research, land reclamation and reforestation, educational facilities, and rural sanitation systems in the rural areas of the departments. The corporation now have an avowed interest in the rural areas, and sufficient resources to have an impact on conditions of rural life.

This emphasis has provided increasing opportunities for the corporations and USAID to consider joint projects and/or complementary activities. The Agriculture Sector I project assists the MACA in area specific frame development for planning sector activities in several specific geographic areas. The Agriculture Sector II project provides for increasing the availability to the small farmer of needed inputs, particularly land, water, improved seed and the production and investment credit necessary for the purchase of these inputs. The target area of this project is the departments of Chuquisaca, Potosí and Tarija, and involves USAID, the Ministry of Agriculture and Campesino Affairs and CODETAR* in a joint project. The Basic Foods Production and Marketing project assists the MACA Planning Office in developing planning techniques, survey methodologies and data collection and analysis for systems development. The Rural Roads II project will concentrate its activities on the departments of Tarija, Chuquisaca

* Development Corporation in Tarija.

and Potosi and will work with these three development corporations and the National Road Service (SNC) in implementation of the project.

Additionally, activities funded under the Nutrition APD project in the Ministry of Planning and Coordination, provide a coordinated approach to the nutrition problem, involving sectoral ministries such as Agriculture and Campefino Affairs, Social Welfare and Public Health, Industry and Commerce, and the departmental corporations. The Rural Health Delivery System project assists the MSW/PH in improving its planning and evaluation techniques for development of specific rural health activities.

The Educational Management and Instructional Development project assists the Ministry of Education in planning improvement in support of administrative reform concentrating on two main areas: 1) strengthening its organization for administration and instructional development, its financial base and its performance in the areas of information management, budgeting and program and policy planning; and 2) providing for a basic decentralized organizational structure. This project provides for activities at the national, district and local levels in all nine departments of Bolivia.

As has been discussed, the Mission's strategy as proposed in the DAP is to build on these on-going activities and the proposed project by working increasingly with the departmental corporations, especially those in the south of Bolivia and the Beni and Pando, in the development and implementation of joint projects between the corporations, USAID, and the sectoral ministries. The aforementioned projects, as well as those to be proposed under the new DAP strategy, will require that the corporations' planning, implementation and evaluation capabilities be improved in order to handle adequately these increased responsibilities. Thus this project has the dual purpose of assisting the corporations improve the techniques and systems to be used in carrying out activities funded within present budget possibilities, as well as providing the opportunity for improving their capabilities to manage and support additional resources which will become available in the future.

B. Detailed Description

1. Project Goal and Purpose

The goal of the proposed project is to improve the standard of living of the rural poor through the improvement of the Bolivian planning system. The project is designed to achieve this goal by utilizing the existing strengths of the national planning process previously described. At the same time it will assist the GOB to resolve those weaknesses within the system that undermine its effectiveness due to inefficient allocation of resources, insufficient attention

to the social and rural sectors, and technically deficient methods of project design, selection and implementation.

The purpose of the proposed project is to improve the technical consistency and coordination of the planning system in the departments of Pando, Beni, Tarija, Chuquisaca and Potosí, and the Ministry of Planning and Coordination in order to increase the effectiveness of the planning and execution of their rural development programs, in accordance with the national objectives and priorities contained in the Five-Year Plan. Accordingly, the project is designed to improve the system of plan preparation and implementation at both the departmental and national levels, to establish technically sound methods of project and program selection, and to develop appropriate systems of coordination among the departmental and national planning entities, which will assure a higher degree of compatibility of plans and projects generated at all levels of planning. As part of these purposes, the project is also designed to develop a regional planning approach that will strengthen the links between urban centers and the rural hinterland they serve. This rural-urban relationship still is seldom identified specifically, or taken fully into account, in regional planning, and provincial towns and urban centers generally do not contribute adequately to its development.

Improvements resulting from this project in the planning and project selection processes of the five regions will improve the prospects for the selection of projects with the highest economic and social returns, reduce duplication and increase the efficiency of utilization of GOB internal resources, thus providing for an increase in income and welfare of the rural target groups of these projects through improved utilization of resources. In addition, techniques applied in this project will be applied to the sectoral ministries and other regional departments over time through their participation in training courses and the receipt of all training materials, thereby contributing to improvements in the overall planning system, both at the departmental and national level. Achievement of the primary purposes of the project will also advance toward the objective of enhanced coordination among on-going or planned projects, funded not only by the GOB and the regional planning entities, but also those financed by the Mission and other international donors.

2. Project Focus and Choice of Departments

In supporting the new Mission strategy to work more closely with the departmental development corporations, the primary focus of the project will be on the departmental level of the Bolivian planning system. Assistance will also be provided at the national level because of the need to improve the coordination between the two levels of the overall system. Five of the nine departments in Bolivia, and, at the national level, the MPC will directly participate in the project. The project purpose of improved technical consistency and coordination of

the planning system will be achieved through the provision of technical assistance and training (both on-the-job and short-term courses). The third level of the planning system - the sectoral ministries -- has been specifically excluded from participation because current Mission projects already are providing assistance to the Ministries of Agriculture, Health and Education. It is recognized that improved planning in these sectors, the focal points for rural development programs, is essential to increasing the impact of current and future Mission (and other donors) rural development projects. Toward this end, coordination meetings will be held with all Mission-funded planning technicians to assure that the assistance is oriented toward achievement of this common objective.

Assistance is necessary at each level of planning so that benefits from improving procedures for project preparation and evaluation and resource allocation will accrue to the entire planning system. Unless each link in the structure is strengthened to an approximately equal level, and common methodologies and concepts for planning at each level are developed, those problems hindering more efficient planning and project selection and evaluation will remain. By focusing on the MPC and departmental corporations this project will strengthen those links which currently are not being helped by other assistance programs. In addition, the assistance in planning provided by the project will not be limited to improving relations solely with the departments where project personnel are located, but rather will use these to develop and demonstrate the methodologies and systems required to achieve the project purpose. Furthermore, the distribution of materials developed in the training effort and participation in the training courses will not be limited to personnel from the project departments, but will be made available to the other departmental corporations and sectoral ministries.

The Department of Potosí has been found to be an especially suitable area in which to focus the development of innovative analytical and operational approaches to integrated rural-urban development planning. The department has the largest population concentration, and by far the largest number of urban centers from among the five participating departments. While there exists relatively little experience in Bolivia in techniques of integrated rural-urban development, and the Potosí Development Corporation does not have any experts trained specifically to apply these new concepts, their current experience and training will make it possible for a long-term advisor to transmit the new methodologies, thus providing a new focus to the regional plan. The proximity of Chuquisaca and its capital, Sucre, to Potosí and the technical strength of the Chuquisaca Development Corporation suggest that it will also be feasible to apply the integrated rural-urban planning techniques intensively in Chuquisaca at an early stage in the project.

While the choice of departments to receive direct technical assistance in planning and project design and implementation is important, it must be kept in mind that the prime objective of this project is not departmental planning and development per se, but rather the improvement of the national planning effort, of which departmental planning is a major component. As discussed above, this emphasis is consistent with the historical and current highly centralized structure of the Bolivian Government.

The departmental corporations of Pando, Beni, Potosí, Chuquisaca and Tarija have been selected for direct participation in the project. The population in these departments is 1.4 million, or 30 percent of the total of the country, and 35 percent of rural population (see Table 1). Potosí, Chuquisaca and Tarija replace Santa Cruz and Cochabamba which had initially been proposed for participation in the project in the PRP.

A number of considerations have contributed to this amendment of the original proposal:

- a. The Mission program has shifted emphasis from the somewhat more developed centers in Santa Cruz and Cochabamba to the development of a number of new projects affecting the rural population in Potosí, Chuquisaca and Tarija;
- b. Recently developed data indicate that appropriate target group populations exist in areas heretofore outside the geographic focus of the USAID/Bolivia program, particularly in the five departments selected for the project. These data also indicate that segments of the rural poor in greatest need live in the project departments. In addition, less than 15 percent of the funding from other external donor activities can be clearly identified as being invested in these departments;
- c. The interest of the MPC in providing technical assistance to the southern departments, since they are not now receiving assistance in planning;
- d. Three of the five project departments figure significantly in the GOB strategy to increase national production in agriculture through the application of resources to develop the lower valleys and the lowland plains. In Pando, Beni, and Tarija the combination of available underdeveloped land in valleys and lowland plains with low population densities, indicates the potential for high return on agricultural investment. Chuquisaca also has some land in the lower valleys and lowland plains which is undeveloped; and
- e. The recognition of the considerable number of years of planning assistance already received by Santa Cruz from the Government of Germany, and the virtually concluded negotiations between the Government of Germany and the corporation in Cochabamba for the

Figure 3

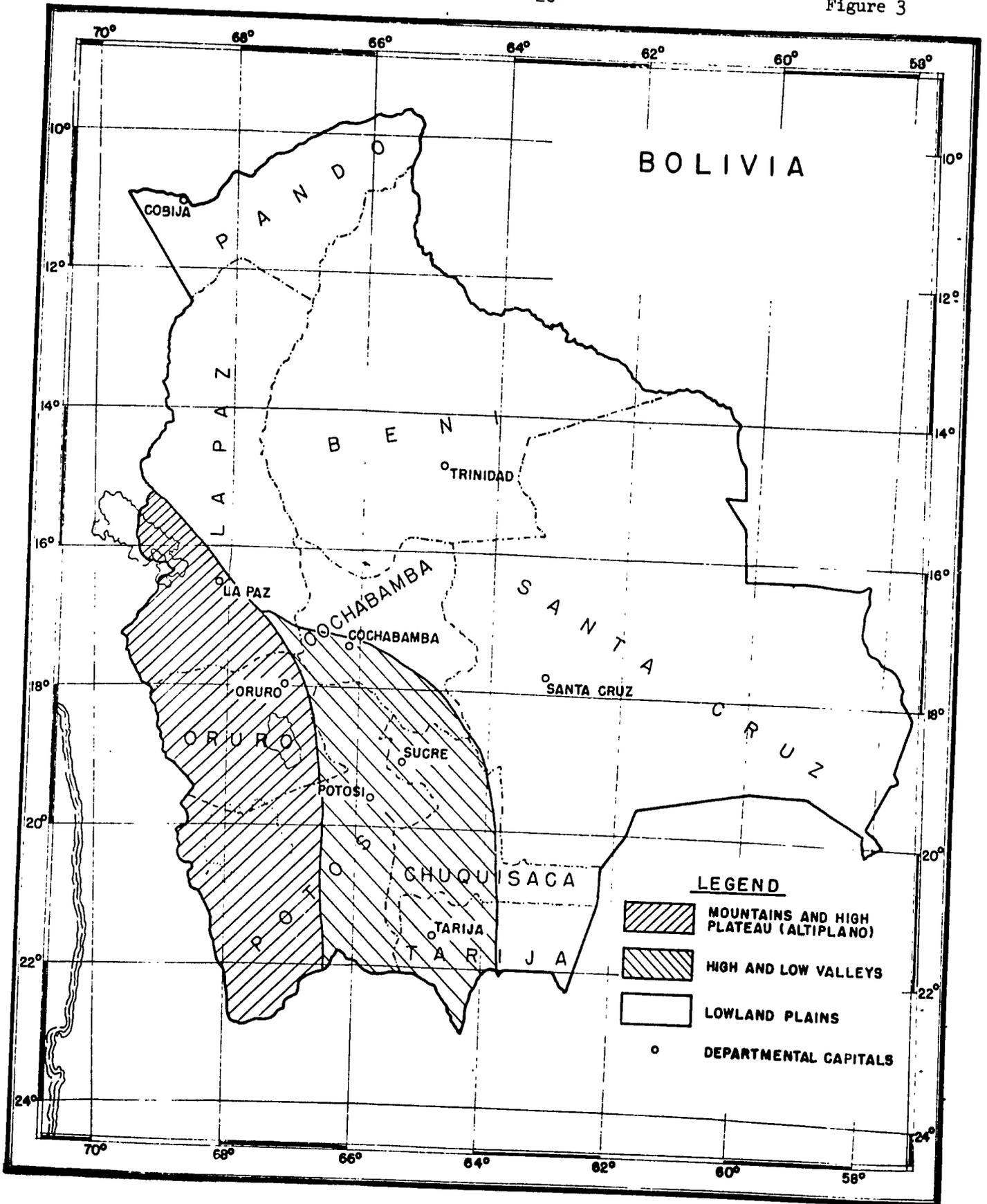


Table 1

Departments of Bolivia

Population, Density, and Proportion of Rural Population a/
1976

<u>Department</u>	<u>Population</u>		<u>Density per Km2</u>	<u>Percent rural population a/</u>
	<u>Number</u>	<u>Percent of Total</u>		
Pando	34,314	0.7	0.5	89.4
Beni	164,850	3.6	0.8	51.3
Potosí	657,703	14.2	5.6	71.0
Chuquisaca	357,717	7.7	6.9	78.8
Tarija	187,791	4.1	5.0	60.2
La Paz	1,484,151	31.9	11.4	51.2
Cochabamba	777,807	15.7	13.1	62.4
Oruro	310,983	6.7	5.8	
Santa Cruz	712,402	15.4	1.9	46.1
Total Bolivia	4,687,718 <u>b/</u>	100.0 <u>b/</u>	4.2	57.6

a/ All persons living in villages of 2,000 or less
or not living in any village.

b/ Total of the 5 "Project Regions", Pando, Beni, Potosí, Chuquisaca,
and Tarija is 1,402,375; 29.9 percent of total.

Source: Government of Bolivia INE, 1976 Census of Housing and Population

provision of an intensive level of technical assistance in planning similar to that previously received by Santa Cruz. Also, the departments of La Paz and Oruro are receiving assistance in planning from the UNDP PRODERBO program (see Annex F, Other International Technical Assistance in Planning). Thus, in working with the proposed five departments, the project will provide assistance to those departments which are not covered to some extent by other international programs.

3. Project Design

The project consists of technical assistance (long and short-term) and training primarily to the five departmental corporations directly participating in the project and, on a more limited basis, to the MPC. The long-term technicians will include regional planners, operations management specialists with expertise in systems analysis and project design and implementation, an agriculture sector planner, and a specialist in integrated rural-urban development. The short-term technical assistance will focus on specific development problems both in design and implementation which are outside the expertise of the long-term technicians. The training component will include both on-the-job training and more formal training in development planning through a series of five 3-4 week courses. Training in integrated rural-urban development will also be conducted through a series of short-term seminars and workshops. Materials for these training courses will be developed by the technical advisors and will continually be revised throughout the life of the project. A final training component will focus on upgrading the capability of the National Institute of Public Administration (ISAP) to provide courses in development planning on a permanent basis.

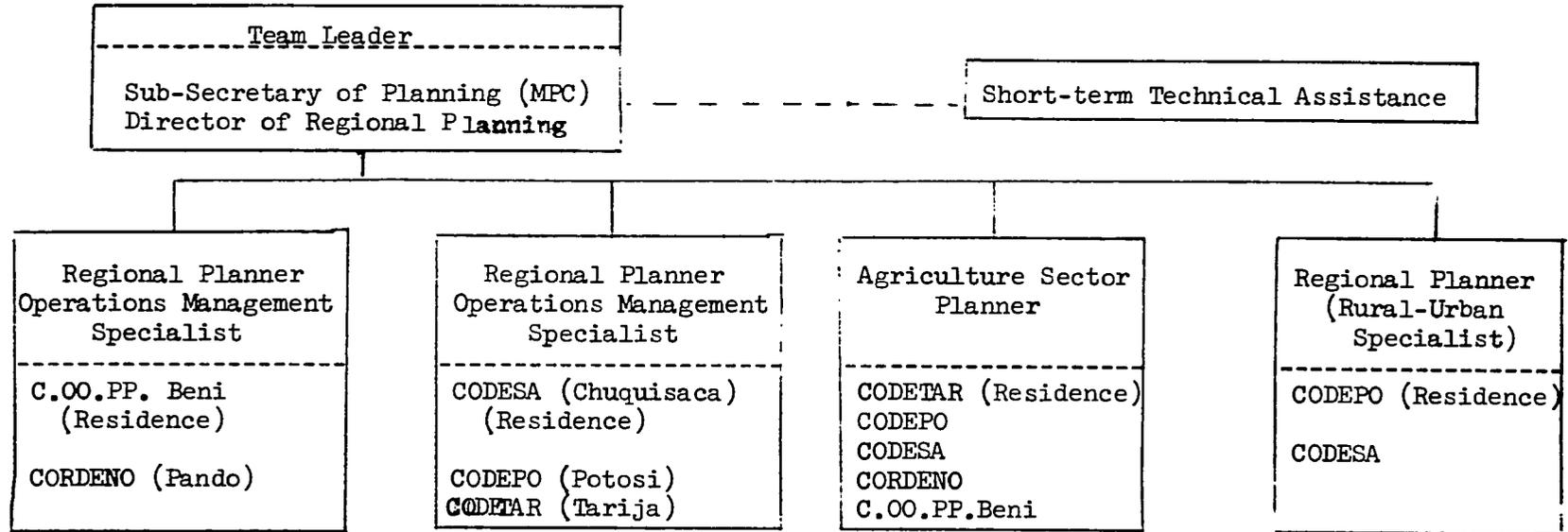
a. Technical Assistance

An integrated team of seven experts, comprising a total of 21 work-years of long-term technical assistance, will be funded by the project. An additional three work-years of short-term technical assistance will be provided over the three year implementation period of the project.

The team of long-term advisors will consist of the following: three regional planners, two operations management specialists, one agriculture sector planner, and one specialist in integrated rural-urban development. Discussions were held with the five participating development committees and the specific weaknesses in planning, design and implementation of each identified. The composition of the team of advisors was then designed so as to address as many of the weaknesses as possible, with the provision of the short-term advisors to call upon in situations where a specific problem (either in design or implementation) is outside the expertise of the long-term advisor. The availability of the short-term advisors is particularly important because, although the committees share a number of planning weaknesses

Figure 4

Proposed Technical Assistance Team and Its Relationship
to the GOB Planning Structure



(e.g., lack of technical capacity to plan at a macro, or department-wide, level), they also have many differences related to the fact that their own technical growth has occurred at different rates. Attempting to address all of these differences through long-term assistance is not feasible mainly because of the cost but also because when specific problems are identified they can be dealt with more effectively in relatively short periods of time (two to three months) by specialists in the particular problem area.

The participating departments have been geographically separated into northern (Pando and Beni) and southern (Tarija, Chuquisaca and Potosí) regions, and the technicians will be divided in accordance with this geographic separation. A team of one regional planner and one operations management specialist will be assigned to the northern region (with residence in Trinidad) and a similar team will be assigned to the south (with residence in Sucre). As with all the members of the technical assistance team, these technicians will each provide three work-years of assistance.

The regional planners will assist the departmental corporations in developing technically sound methodologies for regional planning and project identification, evaluation and preparation. Using the improved methodologies, these technicians will assist in the preparation of annual operating plans which are consistent and in conformity with the appropriate guidelines emanating from the MPC. They will also participate, together with the team leader assigned to the MPC, in the preparation of such guidelines.

The operations management specialists will have a unique role in assisting the development corporations to improve their capability to design and implement projects which are consistent with national annual operating plans as well as the development priorities of the department. They will work closely with the project offices in the corporations and will establish internal systems which report on project planning and implementation progress. Knowledge of implementation procedures and problems is important for the planning and design of future projects. An important function of these technicians, therefore, will be identifying specific implementation problems and recommending procedures to alleviate the problems. In many cases, it will be the operations management specialist who identifies implementation problems requiring the services of a short-term advisor.

The agriculture sector planner will be assigned to Tarija but will be travelling frequently to the various participating departments. This technician will concentrate on the development of criteria and technical methodologies for sectoral planning. Efforts will be focused on rural development, agricultural and agro-industrial project identification and evaluation, as well as on the design of strategies and operational plans in the agriculture sector.

As has already been discussed, the specialist in integrated rural-urban development will be assigned to Potosí and will work on innovative analytical and operational approaches to integrated rural-urban development planning.

In order to provide sufficient opportunities for inter-departmental coordination, the technicians assigned to the departmental corporations will hold regular meetings to review progress made and problems encountered in working with counterparts on the development of strategies and operational plans, and project identification, preparation and implementation. These meetings will be held on a quarterly basis and will be rotated among the project departments in order to provide a first-hand opportunity for the technicians to observe the operations in each of the departments, thus allowing a cross-fertilization of ideas based on these observations. Attendance of counterparts (usually the directors of the corporation planning offices) at these meetings is included in the project design.

The third regional planner will serve as the team leader and will be assigned to the MPC. In addition to working with the Regional Planning Division on the guidelines for annual operating plans and project preparation, the team leader will be responsible for overall project coordination as well as working with advisors (funded under on-going Mission projects) in the planning departments of the sectoral ministries so that the assistance being provided at all three levels of the Bolivian planning system is appropriately coordinated. The team leader will attend the quarterly meetings of project technicians and counterparts to check on whether guidelines issued by the MPC are adequate and meet the needs of both the MPC and the departmental corporations.

Following is an illustrative scope of work for the project technicians and the anticipated educational background of each:

1) Regional Planners

a) Team Leader - As the senior expert on the technical assistance team, the team leader will:

(i) provide advice to the Sub-Secretary for Planning on the development of national planning policy;

(ii) within the framework of the 1976-1980 Five-Year Plan, assist in the development of guidelines for regional planning which take into account the needs of each department and their development priorities;

(iii) assist in the preparation of guidelines for the Annual Operating Plan;

(iv) develop a system for the continual evaluation of the guidelines prepared and the degree to which the corporations respond in accordance with the guidelines;

(v) develop appropriate quantitative techniques to be utilized in project selection and establishment of project priorities;

(vi) assist ISAP in the development of training courses in program planning and project identification, design and implementation;

(vii) coordinate with planning advisors in the sectoral ministries; and

(viii) coordinate overall project activities, including requests for short-term advisors.

This position will require a graduate degree in regional planning or a related field and a minimum of eight years of field experience in developing countries (with preference for experience in Latin America). Fluency in Spanish will also be required.

b) Planners Assigned to the Corporations - For each department the following will be required:

(i) assistance in the preparation of guidelines and methodologies for the formulation of regional development plans which are in accord both with the general guidance issued by the MPC in the Annual Operating Plan and the development priorities of the department;

(ii) assistance in the preparation of the department Annual Operating Plan;

(iii) identification of the characteristics that the short, medium and long-term regional policy should have within the framework of the national policy for regional development;

(iv) designing a system of quantitative and qualitative socio-economic indicators that will permit continual evaluation of departmental plans and the projects which are submitted to the MPC for approval; the system will also permit the evaluation of the focus of proposed projects on the AID rural poor target group;

(v) initiation of studies -- and training counterparts to continue with the studies -- that will collect data for the system described above;

(vi) development of materials on development planning and project identification for use in the ISAP training courses; and

(vii) identification of specific short-term assistance requirements and coordination with the team leader for the procurement of the needed services.

As in the case of the team leader, this position will require a graduate degree in regional planning or a related field. Five years of field experience (preferably in Latin America) will also be required, as will fluency in Spanish.

2) Operations Management Specialists - For each participating department the following will be performed:

a) a system will be developed outlining typical procedures for development, implementation and evaluation of projects;

b) a survey will be undertaken of existing design and implementation problems;

c) based on this survey, an internal reporting system will be established in each corporation which will facilitate the monitoring of project implementation, and the development of policies and procedures to ameliorate these problems;

d) administrative organization and operations will be studied and changes recommended to improve the efficiency of the corporation;

e) a system for the efficient allocation of personnel and equipment vis-a-vis project implementation requirements will be established and will include guidance on equipment maintenance;

f) specific requirements for short-term assistance will be identified and the procurement of the needed services coordinated with the team leader; and

g) materials on administration and project design and implementation will be developed for use in the ISAP training courses.

A specific educational background for this position has not been established, although management and systems operations experience will be required. Five years of experience in this field will also be required, as will fluency in Spanish.

3) Agriculture Sector Planner - Although assigned to Tarija, this technician will travel to all the participating departments and the functions to be performed will be similar in each:

a) a specific work plan will be prepared for each department;

b) a survey of current agricultural activities will be conducted and specific areas (crops, livestock, etc.) requiring the most assistance identified;

c) potential for small-scale, rural agro-industry will be identified and guidelines established for the design and implementation of projects which are responsive to the identified potential;

d) small-scale, appropriate technologies (e.g., small machines, planting techniques) which would benefit the small farmer and which are easily and readily transferable will be identified;

e) agricultural products with economic potential will be identified and the means will be developed to promote the commercialization of those products; and

f) materials for training courses will be developed and instruction on the materials provided in the initial courses.

It is expected that this technician will be an agricultural engineer or an agricultural economist. A graduate degree and a minimum of five years field experience (preferably in Latin America) will be required, as will fluency in Spanish.

4) Integrated Rural-Urban Development Specialist - The initial task of the rural-urban specialist will be to prepare a work-plan covering the integrated rural-urban development activities in Potosí and Chuquisaca. Once the plan is prepared the following analytical steps will be taken:

a) centers in each department will be classified by functional definitions (village, market town, etc.);

b) services and facilities provided by urban centers will be identified;

c) inter and intra-departmental links between urban centers will be identified;

d) the area of influence of each urban center will be determined;

e) agricultural activity, potential and problems will be assessed;

f) using data from a)-e) as the baseline, analysis of rural-urban linkages and urban functions critical to the support of rural and agricultural development will be performed;

g) based on a)-f) weaknesses and gaps existing in urban services to rural development will be identified. Projects will identify which will address these deficiencies and then put into the context of the overall development plans for the department;

h) an evaluation system will be developed for project monitoring and to aid the implementation process; and

i) workshops will be organized and held on integrated rural-urban development.

Academically, it is expected that this technician will have a graduate degree in urban or rural planning. A minimum of five years field experience (with some knowledge of Latin America) will be required as will fluency in Spanish.

b. Training Materials

In addition to assisting in the establishment and implementation of guidelines that will streamline and rationalize the planning process, the project team will be responsible for assisting the GOB in the preparation of a series of training materials establishing uniform criteria for project identification, evaluation and preparation, and for operational plan preparation. The materials will be designed so that each departmental corporation follows the same, agreed upon criteria, thereby fostering submission of program proposals which are properly coordinated and consistent with the objectives set out in the national plan. Although the initial drafts of the materials will be prepared by the project technical assistance team, it is expected that the preparation of the materials will be a dynamic process over the life of the project and beyond. That is, as experience is gained with the materials, revisions will be made in accordance with lessons learned from each experience. Part of the institutional building process of this project will be to develop the capacity within the GOB to continually up-date the training materials.

To maximize Bolivian participation in the design of the materials and to assure that guidelines proposed are applicable to all levels of the planning process, the draft training materials will be assessed and revised during the short-term courses to be conducted by ISAP. The quarterly meetings of project technicians and counterparts will also provide an opportunity to make inputs into the contents

of the materials. Finally, in addition to their use in the departmental corporations, the manuals will become the basic text for the training courses held by ISAP and will be distributed among the other departmental corporations and the various sectoral ministries.

c. Training

The training element constitutes an important ingredient of the project and will consist of formal short courses, on-the-job training, and advanced training in development planning.

1) Formal Short Courses

A total of five short courses have been planned and will be conducted under the direct auspices of the MPC and ISAP. The courses will average approximately three weeks and will cover health, educational, agricultural and agro-industrial project preparation, implementation and evaluation, including the use of cost-benefit analysis in the selection of projects; preparation of sector plans; and rural-urban linkages. Project funded, short-term advisors, members of the technical assistance team and ISAP personnel will be used as instructors in the initial courses, with ISAP personnel gradually taking over the entire function.

The first course will be held in April 1979, using the first draft of the aforementioned training materials for instructional purposes. On the basis of simulated planning exercises, one output of this course will be the first revisions to the training materials. The course will be completed just prior to the period in the annual planning cycle when new project ideas are developed, current projects are evaluated, and goals and strategies are updated. Follow-up courses will be held every six months, and their location rotated so that technicians and counterparts will see first hand, the experiences of other departments.

An additional five workshops have been planned which will concentrate on regional planning in the context of rural-urban linkages. These workshops will not be limited to the departments where members of the technical assistance team have been assigned, but will be planned for the remaining departmental corporations as well.

2) On-the-job Training

The technicians assigned to the departmental corporations will provide on-the-job training not only in the form of guidance on the work performed by counterpart technical personnel, but also through weekly meetings and conferences with the local staffs

during which work in process will be explained and reviewed and written materials on planning discussed. The technicians will provide advice on the use of the above mentioned training materials in day to day operations, and will also develop simulation exercises to improve the capability of the local staffs. Where practicable, examples from similar planning experiences elsewhere will also be used as an instructional tool. Participation in the quarterly meetings discussed above will be an additional form of training.

On-the-job training will also be provided to ISAP as part of the effort to upgrade its capability to conduct training courses in development planning. Short-term technicians will work with ISAP initially in preparing the first training course for counterpart personnel in the departments and ministries. Up to four months of assistance has been programmed for this effort (including the time the technicians will serve as instructors in the training courses). In the development of follow-on training courses, ISAP will be assisted by the long-term technicians, supplemented as necessary by additional short-term assistance.

3) Advanced Training in Development Planning

The long-term training component of the project will be limited to one staff member from ISAP receiving advanced training in development planning at the World Bank Development Institute or similar training at a U.S. university. This individual will participate in the first, in-country development planning training course sponsored by ISAP in April 1979 and will then leave in August for one year of training. Upon completion of the training, this individual will be the key person within ISAP for developing training courses as well as for training additional ISAP staff in development planning.

d. Local Counterpart Personnel

The local counterpart staffs in the departmental development corporations will be the primary recipients of the technical assistance and training provided by the project. In keeping with the project objective of upgrading the capacity of the corporations to plan and implement projects, the technical assistance will principally focus on the planning and project divisions in each corporation. Assistance will also be directed at the social development divisions in the corporations as part of the effort to bring the rural poor target group into the project planning, design and implementation operations. Three corporations currently have social development divisions, and the remaining two will be establishing similar divisions. Each will have a social scientist on the staff with the responsibility of serving as an intermediary between the target group population and the planners in the corporations.

Each departmental corporation will have a similar complement of technical staff serving as counterpart personnel: the director of the planning division and one technician will work with the regional planners; the director of the project division and one technician will work with the operations management specialist; the social scientist will

work with both of these technicians; and the senior agriculture specialist will serve as the counterpart to the agriculture sector planner. In addition, one member of the planning division in both Potosí and Chuquisaca will serve as the counterpart to the specialist in integrated rural-urban development planning. For the small development corporations in Pando and Beni, the counterpart requirements will require the hiring of additional staff. In the southern departments the only additional staff requirement is the sociologist position. To assure that each corporation has the required counterpart personnel, appropriately staffed divisions will be a condition precedent to the disbursement of funds.

At the national level, the team leader will work in the Regional Planning Division. While the principal counterparts of the team leader will be the director of the Division, his deputy and the technicians responsible for the programs in the participating departments, the Sub-Secretary for Planning will also be a counterpart. The team leader's relationship with the Sub-Secretary will not have the same degree of frequency or detail as with the director of the Regional Planning Division. Nonetheless, the team leader will have ready access to the Sub-Secretary since it is at this level that the important, broader issues of planning strategy and methodology will be decided, and it is at this level that the team leader will have a most important policy input.

Two final counterparts of the project will be technicians from ISAP. These technicians will work with all of the long-term advisors and will also be assisted by short-term consultants. The result of the collaboration between these counterparts and the technical assistance team will be an upgraded capability within ISAP to conduct courses in development planning and project identification and implementation.

Local administrative and service personnel (secretaries, drivers and messengers) will be provided by the corporations. At the national level, in addition to service personnel, a full-time, local hire individual will be provided by the MPC and will be responsible for all the administrative requirements of the project (logistics, customs clearances, supplies and the like).

e. Short-term technicians

The project provides three work-years of short-term technical assistance. These technicians will fill gaps in the planning, project design and project implementation requirements which are identified by members of the long-term technical assistance team as being outside their areas of expertise. Examples of the types of assistance they will provide include:

1) Planning - the availability of natural resources and geographic/climatic conditions will influence the direction development planning can take in each department. Special technical skills will be needed in addressing the different planning issues which are being faced in each department. Thus, in Pando experts in the development of tropical areas and associated local resources (hardwoods, fruits, etc.) will be needed; in Chuquisaca and Potosí assistance in planning based on mineral wealth (e.g. small salt producers) and agriculture/livestock management, will be needed; in Beni and Tarija specialized planning in agricultural development (e.g., livestock development in Beni) will be needed.

2) Project design and implementation - in recent years, the corporations have been expanding their activities to include a wide variety of programs such as rural infrastructure (roads, schools, and rural sanitation systems), land reclamation and reforestation, and agricultural research. Because the corporations have only recently become involved in these types of activities special assistance will be needed in improving design of projects and, equally important, in the implementation and efficient operation of the projects. Thus, for example, on road projects assistance in engineering design may be necessary along with assistance to improve operations and maintenance of road equipment; in both sanitation and school projects, short-term technicians will be used to identify local materials which can be used in the construction of basic infrastructure.

3) Training - assistance to ISAP in the development of training courses and in serving as instructors for the courses. This assistance will concentrate on upgrading the capability of ISAP personnel to continue providing training in development planning, project identification, implementation and evaluation. Short-term advisors will also develop special components of training courses and related guidance materials. For example, CODETAR has identified one training need as the assessment of social implications of economic development projects.

4) Evaluation - assistance with evaluations of projects implemented by the corporations as well as possibly assisting in the evaluation of this project.

The work of the short-term advisors, including definition of needs and specification of assignments, will be coordinated by the project team leader.

Additional short-term assistance will be provided by the Office of Urban Development, DSB, in support of the integrated rural-urban development planning component of the project.

4. End of Project Status

The principal input of this project is technical assistance. As such, all the outputs expected at the end of the project cannot be identified in specific numbers of physical accomplishments, but rather, in most cases, in the application and dissemination of the training received throughout the planning system. Thus, the following outputs are expected:

a. Improved project preparation based on benefit/cost and internal and social rate of return analysis. All participating development corporations will be utilizing these methodologies beginning with the submission of projects for CY 1980 funding. The MPC will use the same methodologies in the review and approval of project submissions;

b. Training materials establishing uniform criteria for project identification and evaluation, and preparation of annual plans will be distributed to all planning entities in Bolivia;

c. A minimum of 30 counterpart personnel will receive on-the-job training;

d. Five short-term training courses will be held on project identification, implementation and evaluation, macro-level planning for regional development, and guidelines for integration of department priorities with national priorities established by the MPC. The training materials mentioned above will be developed for these courses and will be revised on the basis of experiences following the courses;

e. Five workshops and seminars will be held on integrated rural-urban development and guidelines established for utilizing methodologies of this theory in development planning;

f. The institutional capability of ISAP to provide training courses in development planning will be upgraded. ISAP will hold regularly scheduled courses without need for additional technical assistance;

g. Projects designed by corporations will include a social analysis showing what impact the projects will have on the rural poor target group; and

h. Improved project preparation capabilities will be employed in selection and design of projects funded by the GOB, AID and other external donors.

The rationalization and better coordination of project planning and preparation, coupled with greater precision in the assignment of national and departmental priorities will yield increased real returns to the economy, enhance the impact of projects and programs, and result in improved utilization of GOB, Mission and other sources of financing.

PART III PROJECT ANALYSIS

A. Technical Analysis

The project involves the application and adaptation to local capabilities and conditions of economic and social planning methods and techniques for project identification, evaluation and preparation. In recent years, new techniques have been developed for determining the benefit-cost of a project and calculating rates of return on social projects. These and other techniques are transferable and adaptable in varying degrees to the Bolivian situation.

The MPC has established a small cadre of highly trained professionals in planning methods and techniques capable of absorbing and applying more advanced methodologies. These capabilities, however, are considerably weaker in the departmental corporations, although each has a planning capability with at least one technician on the staff who has been exposed to planning methods and project preparation as a result of brief courses taken and actual work performed. As has been explained, however, the planning capability of each corporation varies from department to department. Thus, the technicians assigned to work with the corporations will devote their efforts to transmitting new planning techniques by adapting them to the local capabilities. Through the project strategy of working directly with the corporations and developing training materials and short-term courses on the new techniques, it is expected that the capabilities of the participating corporations will be raised to approximately equal levels.

As indicated in the discussion on the project purpose, improving the coordination within the overall planning system is another aspect affecting improved planning. It is an important aspect of the project and a more detailed statement of considerations relevant to its technical feasibility is warranted. The specific considerations are:

1. The timely nature of the project itself should be reiterated. Improved coordination in national planning is not a Mission initiative. Bolivia has established the necessary mechanism for a national planning system in the form of the MPC. The successful coordination of national planning will depend on the effectiveness of this mechanism, particularly the performance of the divisions under the Subsecretary for Planning (Project Analysis, Regional Planning and Sectorial Planning) and of CONEPLAN itself. The assignment of the team leader to work with the Subsecretary for Planning and more directly with the Division of Regional Planning is consistent with the GOB's own coordinative structure.

2. The MPC has identified one of the prerequisites of coordination to be the improvement of the technical quality and consistency of the departmental plans submitted as inputs into the national plan. Increased sophistication and competence in planning on the part of the departmental corporations will itself constitute a strong inducement for these planning entities to initiate communications with other planning participants. Also, the departmental personnel have expressed the need for coordination with the sectors.

3. The training materials and guidance prepared in collaboration with the MPC and other project participants will specify the opportunities for and requirements of coordination incumbent on the participants in the national system. The training will also discuss practical devices for achieving coordination. Again, this does not represent the initiative of the trainers, but rather is a response to the legal requirements for coordination (see the discussion of the Law of the Development Corporations, Annex E).

4. There has been some modest success in joint project development among ministries and departmental corporations encouraged through outside assistance, such as in the UNICEF integrated rural development program, in the USAID Rural Health Delivery System with the MSW/PH and the C.OO.PP. Santa Cruz, and in Ag. Sector II with the Ministry of Agriculture and CODETAR.

5. The placement and interchange of the project team itself is expected to have a modest effect in encouraging communications among the different levels of the planning system. This expectation is based in part on the interest expressed by the proposed participants, not only in the receipt of the outside technicians but also in the project as a whole within the national planning effort.

Regarding the rural-urban linkages component of the project (a methodology to be applied in Potosí and Chuquisaca), beginning in the late 1960's the economic development literature began to incorporate the views and concerns of geographers, regional planners, and economists concerned with the locational and spatial aspects of development in addition to the more conventional macro and sectoral considerations. The theories and analytical methodologies produced by these early advocates have now become conventional and permeate the literature on rural and regional development. A common shorthand term for these new concepts is "integrated rural-urban development," a term found increasingly in national and regional development planning. This approach has particular receptivity in the MPC's Division of Regional Planning which would like to apply this approach to regional planning in a number of Bolivian departments.

B. Financial Analysis and Plan

The total cost of the project over its three-year life is estimated at \$3.6 million. Of this amount, AID grant funds will provide \$2.5 million, of which \$250,000 will be provided from DSB regional funding to support the integrated rural-urban development planning component of the project. The AID contribution will fund long and short-term technical assistance, long-term training, in-country training courses, workshops, materials, office equipment and vehicles.

The government contribution is estimated at \$1.1 million or 30.5% of the total project cost, and will fund salaries of counterpart personnel, short-term training courses, materials, operating expenses, and in-country travel and per diem. The committees will contribute approximately \$206,000 annually to the project, which is less than one percent of the annual investment budget in the departments. The annual MFC contribution of approximately \$160,000 is less than three percent of its estimated 1978 budget.

Other than salary costs of the few new staff members to be hired as a result of the project, the only follow-on costs which are not already incurred by the GOB will be for additional training by ISAP in development planning and the costs for reproducing the materials to be used in the training. To assure that funding will be available for these costs, a covenant has been included which will require that ISAP's budget be adequate to cover these additional expenses.

Tables 2 and 3 present the summary cost estimate and projected disbursement schedule for the project.

C. Social Analysis

1. Beneficiaries (Benefits and Participation)

The project will impact principally on the departmental corporations involved in the project activities development efforts. The staffs of these institutions will receive technical assistance (formal instruction as well as informal on-the-job training) designed to upgrade their capacity to plan and implement development programs.

However, as stated in Part II, B, the ultimate beneficiaries will be the Bolivian rural poor. Since the project is focused on institution building, socioeconomic benefits (increased incomes, better health status and educational opportunities and the like) will not accrue in the short term to the campesino population.

Table 2
Summary Cost Estimate and Financial Plan
(US\$ 000)

<u>Source</u> <u>Use</u>	<u>FX</u>	<u>AID</u>		<u>GOB</u> <u>LC</u>	<u>Departmental</u> <u>Committees</u>	<u>Total</u>
		<u>LC</u>			<u>LC</u>	
I. Technical Assistance						
A. Long-Term (7-36 mo.)	1,806	-	-	-	-	1,806
B. Short-Term	252	-	-	-	-	252
C. Home Office Support	64	-	-	-	-	64
II. Training						
A. Long-Term	14	-	-	-	-	14
B. Conferences	-	-	150	-	-	150
C. Urban Functions Workshop	-	15	-	-	-	15
D. Studies	-	25	100	30.5	-	155.5
III. Vehicles, Equipment and Training Materials						
A. Office Equipment	10	-	1.5	1	-	15.5
B. Vehicles	50	-	-	-	-	50.0
C. Training Materials	-	10	5	-	-	15.0
IV. GOB Personnel	-	-	143.5	567.5	-	711
V. Operating Expenses	-	-	6	17	-	23
VI. In-Country Travel	-	-	45	-	-	45
VII. Per Diem	-	-	30	-	-	30
Inflation Factor	123	4	-	-	-	127
Contingency	123	4	-	-	-	127
Total	2,442	58	481	619	-	3,600
<u>Total</u>						
AID	2,500	1/	(69.5%)			
GOB	1,100		(30.5%)			
<u>3,600</u>			(100.0%)			

1/ \$250,000 of AID Contribution will be funded by DS/UD for the Urban Functions in Rural Development component of the project.

TABLE J
RURAL DEVELOPMENT PLANNING (511-0471) BUDGET

A. Costs (US\$)	Total	FY-1979				FY-1980				FY-1981			
		1st. Qt.	2nd. Qt.	3rd. Qt.	4th. Qt.	1st. Qt.	2nd. Qt.	3rd. Qt.	4th. Qt.	1st. Qt.	2nd. Qt.	3rd. Qt.	4th. Qt.
I. Technical Assistance													
Long-term a/	1,806,000	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500	150,500
Short-term b/	252,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Home Office Support	64,000	16,000	8,000	8,000	-	8,000	8,000	-	-	8,000	8,000	-	-
II. Training													
Long-term (1-12 mos. USA) c/	14,000	-	-	-	1,500	3,300	3,300	3,300	2,600	-	-	-	-
Urban Function Workshop Studies	15,000	-	-	-	3,000	3,000	3,000	3,000	3,000	-	-	-	-
	25,000	-	1,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-	-
III. Vehicles Equipment and Materials													
Office Equipment	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-
Vehicles	50,000	-	50,000	-	-	-	-	-	-	-	-	-	-
Training Materials	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-
Total Cost by Quarter	2,246,000	197,500	240,500	183,500	180,000	189,800	189,800	181,800	181,100	179,500	179,500	171,500	171,500
Cumulative Total	2,246,000	197,500	438,000	621,500	801,500	991,300	1,181,100	1,362,900	1,544,000	1,723,500	1,903,000	2,074,500	2,246,000
Inflation Factor d/	127,000	-	-	-	-	15,522	15,522	15,522	15,522	16,228	16,228	16,228	16,228
Contingency d/	127,000	-	-	-	-	-	-	-	-	31,750	31,750	31,750	31,750
Total Project Cost	2,500,000	197,500	240,500	183,500	180,000	205,322	205,322	197,322	196,622	227,478	227,478	219,478	219,478
Cumulative Total Project Costs	2,500,000	197,500	438,000	621,500	801,500	1,006,822	1,212,144	1,409,466	1,606,088	1,833,566	2,061,044	2,280,522	2,500,000
B. Appropriations													
USAID/B	2,250,000	975,000 ^{e/}	265,000	-	-	-	510,000	-	-	500,000	-	-	-
DS/UD	250,000	250,000 ^{e/}	-	-	-	-	-	-	-	-	-	-	-
Cumulative Total	2,500,000	1,225,000	1,490,000	1,490,000	1,490,000	1,490,000	2,000,000	2,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000

a/ Long-Term T.A. assumed to cost \$36,000/work year.
b/ Short-Term T.A. assumed to cost \$7,000/work month.
c/ Training in USA assumed to cost \$1,100/month plus travel.
d/ 5.1%
e/ Appropriated in FY 1978.

Nevertheless, in the long run improved development planning (the essential element of this project) will facilitate the provision of such benefits.

Principally, improved planning can assist the rural poor segment of the population through the design of projects which increase campesino productivity (by extension improve incomes), and by promoting a more effective coordination and application of assistance efforts in other sectors (health and nutrition and education) in the rural areas.

The objectives of the Government of Bolivia proclaimed in the current five-year plan and the subsequent action of the Government are directed toward increasing productivity. The plan and action do not give priority directly to the least productive agricultural sectors, but rather to sectors such as petroleum, mining, related processing industries, agriculture using undeveloped land, and agro-industry. This approach to development in Bolivia is not inappropriate even when viewed from the perspective of the interests of the rural poor. Bolivia is the third poorest country in Latin America and the Caribbean in terms of per capita GNP now estimated at \$390 ^{1/} annually. Given this degree of poverty, a substantial increase in national productivity is a necessary condition for any general and sustained improvement in the standard of living of the rural poor. Opportunities for improvements in the provision of infrastructure and services are numerous, although none of the more than 250 projects listed for the regions in the 1977 Operating Plan indicates a cooperative effort to combine the investment and operational resources of one ministry with another or a ministry with a departmental corporation, or of two or more departmental entities.

To date the rural poor have been given little opportunity to participate in national and regional planning processes. Although often the targets of development schemes, only rarely have campesinos had the chance to express their concerns or make contributions to the design of projects. Generally they are passive recipients of endeavors formulated by planners who are at some distance geographically and ideologically from the area of impact. The departmental corporations represent an opportunity for altering the situation and including the rural poor in the planning process. A series of related sociopolitical factors in Bolivia and the design of this project give promise that such potential can be

^{1/} IBRD, 1976.

realized.

Principal among the sociopolitical factors is the recently enacted "Law of Departmental Development Corporations" which requires that representation from existing campesino federations be included in the Directorate. In so doing it will legislate participation of the rural poor. Furthermore, campesinos in Bolivia have well organized leadership systems (traditional fiesta mechanism and sindicatos) which conduct a number of local governmental functions. Even though these entities are not employed currently in regional and national planning, they represent existing institutional resources which can be utilized to facilitate participation. It is important to note that most of the Departmental Corporations involved in the project have already developed informal relations with campesino communities via the local leadership systems, and in one region (the Beni) this working relationship has been formally established. Also, three of the Departmental Corporations (Tarija, Chuquisaca, and Potosi) have organized social development divisions which work exclusively in rural areas; Chuquisaca and Tarija both have experience in working with local organizations in project selection through a UNICEF-sponsored integrated rural development project currently in progress in those areas. Finally, at least one of the participating Departmental Corporations has worked through rural organizations implementing a rural forestation project.

The project design includes a number of components geared to take advantage of the above mentioned sociopolitical factors to assure recipient participation. First, the selection of the Departmental Corporations as central elements in the planning process will move, at least geographically, development design activities one step nearer to the countryside. The placement of all but one member of the technical assistance team in the departments will assist in moving the focus of national planning outside of the capital city. Second, the addition of a specialist in the urban facets of rural development provides the opportunity to build on the historical involvement of the Departmental Corporations in the regional capitals. It also will facilitate the planning of departmental programs in which the regional center, service centers and market towns can contribute in a systematic, sustained way to the rural development of a geographical/administrative area. Third, a professional social scientist will be included on the staff of each regional corporation with the principal function of serving as an intermediary between the campesinos and the planners who are in most cases still separated by differences in perspective and social class. In addition, their knowledge of the rural poor will assist in identifying priority problems (as seen by the recipients) as well as devising corrective strategies. Fourth, the selection of an agricultural specialist as part of the

technical assistance team will reflect a preference for a person with experience in working with rural communities. Finally, the emphasis on agricultural planning will increase the number of regional projects with subject matter and geographic location especially appropriate for planning inputs from the rural population.

2. Target Group Profile

As discussed above, although the rural poor are not the direct beneficiaries of this project, it is expected that the long-term benefits resulting from the project will accrue to the rural poor target group.

In the Beni area (largely savannah) the estimated 19,000 small farm families, many of them recent colonists, raise subsistence crops (corn, yuca, rice, beans, vegetables and plaintains) and derive cash income primarily from the sale of a few head of cattle. Average cultivated land ranges from one to four hectares although land holdings of the small farmers in many cases are extensive. Average income of the small farmer family in 1975 was estimated at \$450.

The Pando is a heavily forested, semi-tropical area with no road links to the rest of the country. A majority of its 6,000 farm families cultivate subsistence crops (yuca, rice, beans, and corn) and supplement this with tree crops (bananas, plaintains, and citrus). Cash income is obtained from gathering and selling Brazil nuts and tapping rubber trees. Cultivated land in the Pando averages less than 1.5 hectares per farm family. Average income in 1975 was estimated at \$400 per farm family.

A recent study ^{1/} conducted in the remaining participating Departments (Potosí, Chuquisaca, and Tarija) has developed considerable data on the target population. Almost all are small scale farmers. The average farm size is four hectares; over 50% of the farmers have less than two hectares, and only a limited number are ten hectares or larger. The principal orientation of production is for marketing (41%) although there is a significant subsistence component (36%)^{2/}. Principal crops include corn, potatoes, and wheat, and there is some vegetable cultivation -- especially at lower altitudes.

^{1/} Riordan, James T.: An assessment of the Target Region for USAID/Bolivia's Agricultural Sector Loan II; July, 1977.

^{2/} Percentages do not sum to 100% because of other uses, particularly seed and animal feed.

In addition to ground crops, most households are also engaged in animal keeping. Although there is some minor variation caused by environmental differences, principal types include cattle (oxen), sheep, llamas, goats, horses, pigs, and poultry. Like farming, the principal end of animal production is for marketing, but a substantial amount is also consumed in the home.

Income generated by the small farm family is complemented in a significant number of households by off-farm agricultural work (25%) and non-farming activities (24%). The former consists of casual day laboring either on moderate size holdings in the immediate area or on sugar plantations in southern Bolivia and/or Argentina. Work on the sugar plantations often includes all of the adult members of the households and entails a pattern of seasonal migration. Non-farm employment includes menial work in nearby towns, processing of animal and crop products, and artisan activity. Again participation in these endeavors is not limited to the household head, but rather includes all members who are physically capable of making a contribution.

Data collected by the study indicated that the mean net household income for rural farm households in these areas was \$327 in 1976-1977 (\$62 on a per capita basis). This measure encompasses all income received by the households, including an estimated amount for consumption of products produced on the farm. According to the study, household incomes are relatively constant across all farm size groups, although farm incomes are positively related to holding size.

It is generally agreed that health conditions in Bolivia are very poor. Because of the wide range in altitude and climatic conditions in the country, diseases unique to both the tropical and high mountain, altiplano areas are found in addition to diseases which have no altitude or climatic parameters. Common diseases in the project areas include amoebiasis, intestinal parasites, chagas disease and respiratory diseases. Related to, and complicating, these problems are the dispersion of population relative to the number of health facilities and the generally inadequate transportation system available to the rural population. Poor nutrition and inadequate housing also contribute to the incidence of these diseases.

Illiteracy tends to be high in Bolivia, particularly in the southern departments where it is over 30 percent. Significantly, there are twice as many female as male illiterates. This disparity is particularly serious in view of the central role women play in raising children and setting standards for health and nutrition and family planning in the household. Clearly, educational opportunities must be improved for women as a prerequisite to major improvements in general family health and welfare.

In education, teacher-pupil ratios and pupils per classroom do not vary greatly from department to department in the project area, and they tend to be relatively high. Shortcomings in education are related more to the quality and relevance of the programs offered. Again, the cultural constraints which affect educational opportunities for women -- boys tend to be given much greater encouragement and access than girls, particularly in rural areas -- stand out as a serious deficiency in the education sector.

3. Role of Women

In the rural areas of Bolivia, women share economic responsibilities on an equal basis with men, be it in agricultural or cottage industry tasks or in providing labor for construction work on self-help projects. By the same token, because of their involvement in economic activities, women also share on an equal basis with men the benefits which accrue from these activities. Thus, through the achievement of its objective of upgrading the capability of the committees to plan and implement development programs (with emphasis on the rural sector) and the resulting improvements in the design of projects aimed at the rural population, this project will be creating benefits of which the rural woman population will receive an equal share.

The project also fits well within the Mission's strategy for increasing the impact of its program on women. The new DAP outlines a two phase process, which the Mission will implement this year, which is designed to improve the impact of its program on women as participants and beneficiaries and increase their integration into the developing economy in Bolivia. Phase I will be an in-house examination of Mission programs to assess the impact various projects have had on women. This will be followed by Phase II in which the Mission will endeavor to gain the participation and support of the GOB and other donors in more effectively integrating women into projects and programs. The technical assistance provided by this project will directly support the objectives of this second phase. The role of women in development will be a specific subject covered in the on-the-job training as well as in the short-term training courses. Thus, the project is an early vehicle which can be used in creating an awareness within the GOB (at the national and department levels) on the importance of the role of women in the development process.

D. Economic Analysis

As an institution-building project which has technical assistance as its principal input, the economic benefits resulting from the project are difficult to quantify. Nonetheless, the following analysis shows that potential benefits are significant and that the project is economically justified.

Assuming a ten year project life, an opportunity cost of capital of 15 percent, equal disbursement of the \$3.6 million project cost over three years, and benefits beginning in the second year and remaining constant over the final eight years, it is possible to determine what annual benefits must be in order to obtain a benefit-cost ratio equal to one. As can be seen in Table 4, these benefits must total \$660,641 beginning in year two and continuing at that level through year ten.

It is estimated that in 1979 (the first year benefits will accrue from the project) the investment budget of the five participating departmental committees will be approximately \$22.5 million. The amount of the annual benefits required to justify the project economically, therefore is less than 3 percent of this budget. The estimated total public investment to be budgeted for these departments in 1979 is \$182 million, of which the annual benefits required to justify the project is only .4 percent. In addition, if it is assumed that the annual committee budgets and the total public investment in the departments will increase over the remainder of the project life then, with the required annual benefits remaining constant, the amount required to justify the project as a percentage of the budgets will decrease further.

These percentages indicate the minimum proportional increases in investment efficiency which must be attributable to the project. There are a number of ways in which such increases in efficiency can be realized:

1. Improved economic planning of specific projects to save resources or produce greatest returns from resources invested;
2. Increased coordination among projects so that inputs required from one project are available to other projects when required, and costly delays are avoided;
3. Increased coordination among projects so that infrastructure and services projected have a greater effective value to recipients;
4. Avoidance of outright duplication among projects.

Table 4

BENEFIT/COST ANALYSIS

<u>Year</u>	<u>Cost of Project</u>	<u>P.V. of Project</u>	<u>Benefits</u>	<u>D.F.</u>	<u>P.V. of Benefits</u>
1	1,200	1,044			
2	1,200	907	X	.756	.756X
3	1,200	690	X	.658	.658X
4			X	.572	.572X
5			X	.497	.497X
6			X	.432	.432X
7			X	.376	.376X
8			X	.327	.327X
9			X	.284	.284X
10			X	.247	.247X
		<u>2,741</u>			<u>4.149X</u>

$$B/C = 1 = \frac{4.149X}{\$2,741} \quad \text{or}$$

$$X = \frac{\$2,741}{4.149} = \$660,641$$

E. Institutional Analysis

1. Regional Planning Department

Within the Ministry of Planning and Coordination, the Regional Planning Department has the responsibility for reviewing the development plans prepared by each departmental corporation to make them compatible with the policies of the national plan and the sectoral ministries' submissions, and then incorporating them into the National Plan. In acting upon these responsibilities, the Regional Planning Department has emphasized assistance in preparing departmental plans and reviews of the specific project proposals submitted with each department's medium term plan and annual budget. Formal acceptance of departmental plans, and their coordination with national Ministries, are as yet only weakly attended tasks. Under the director of the Department and his deputy, staff technicians are assigned to work with specific departments and their programs. As part of their assignment, the technicians coordinate with counterparts in planning units of the departmental corporations or with the individuals who provide the planning functions for the corporations.

The project team leader will be working most closely with the technicians who backstop the five participating corporations. These technicians each have a minimum of four years of experience with the MPC. Educationally they include an agricultural engineer, an industrial engineer and three economists. The latter three have had graduate training in regional planning. The combination of their educational backgrounds and work experience has created a competent, technical staff capable of, and willing to, grasp and utilize the new project analysis, plan preparation and coordination methodologies which will be developed in conjunction with the technical assistance provided by the project.

2. National Institute of Public Administration (ISAP)

ISAP is a decentralized institution associated with the MPC. Its function is to provide training in public administration to government officials. The training division has a professional staff of nine and includes instructors in economics, auditing, planning, project development, quantitative techniques, fiscal and monetary policy, and administration. Courses in these disciplines have been offered for over five years at both the post-graduate and technical levels. This experience includes conducting courses on project design and evaluation in the project area -- in Trinidad in 1976, and in Potosí and Tarija in 1977.

In the past, ISAP has received technical assistance from the Public Administration Service (funded by the Mission), and is currently

receiving assistance from the Organization of American States (project preparation) and the United Nations (developing courses in economic and social planning). Given the demonstrated ability of the training staff to absorb technical assistance, there is little doubt of ISAP's ability to work with the proposed long and short-term advisors and expand its curriculum to include development planning.

ISAP's current deficiencies are related to budget level, personnel numbers and preparation, and logistic ability to plan and execute training courses and material preparation. Through increased GOB budget support, technical assistance, long-term training and project financing of training materials development, all of which are contemplated under the project, these deficiencies will be addressed.

3. Departmental Development Corporations

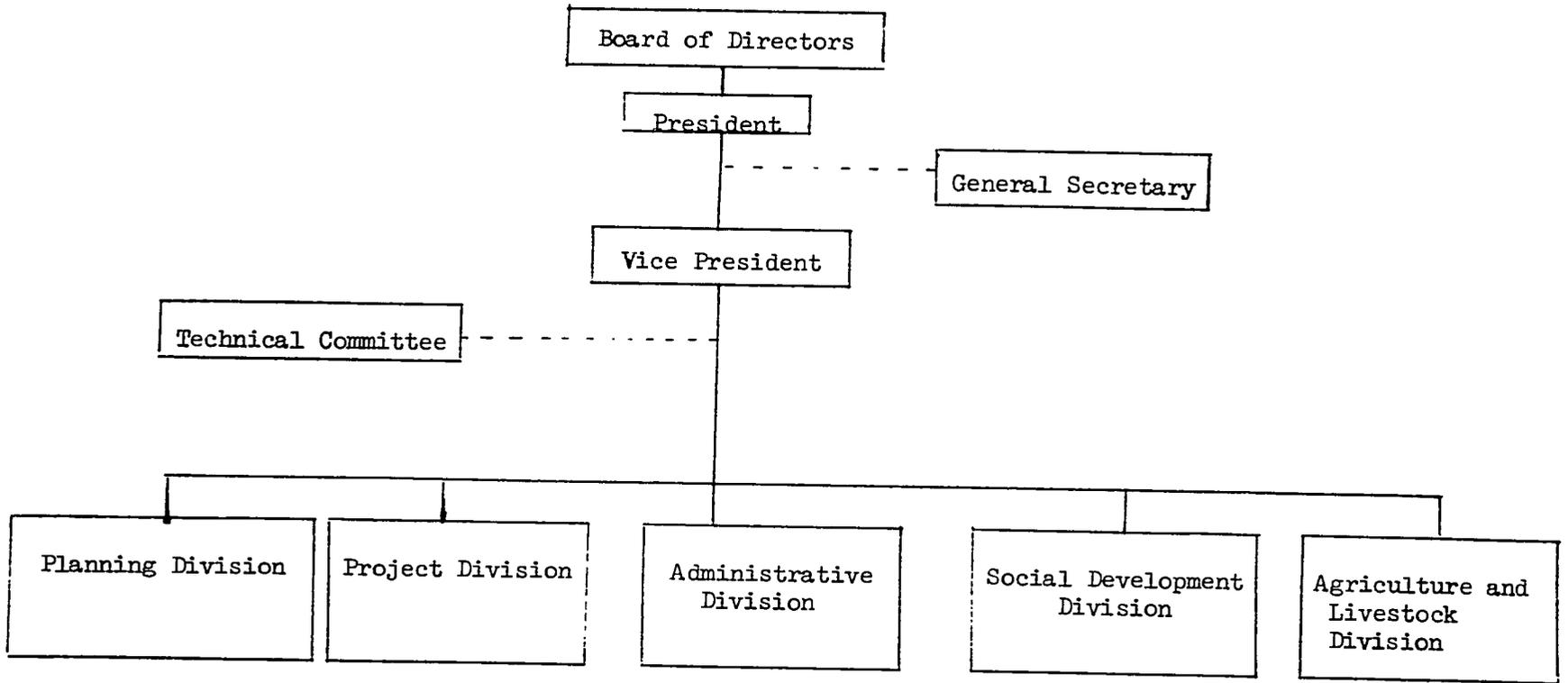
The Departmental Development Corporations were established at different times over the past ten years with the primary function of promoting the development of their respective departments through regional planning. For a variety of reasons (e.g., geographic location, financial resources available to support activities and ability to attract qualified personnel), the departments have different size staffs, different methods and areas of operation, and varying degrees of technical competency. As has been discussed elsewhere, however, the recently passed Law of the Departmental Development Corporations standardizes their functions, lines of responsibility and operations, as well as formalizes and clarifies their relationship with the MPC. (see Figure 5 for the proposed organizational structure of the corporations).

A common characteristic of the departments' planning system is that the plans basically consist of descriptions of projects proposed for funding during a given fiscal year. Little detailed analysis is performed on relating projects, to national, regional and sectorial plans (when these exist), causing inconsistency between regional budgeting and national planning. Eliminating this inconsistency requires improved coordination between plans and budgets both at the departmental and national levels.

Nonetheless each department, with the help of consultants, have prepared diagnostic and other studies which have identified areas in which development priorities should be established. A consistent problem among the departments, however, is the inability to transform the knowledge from these studies into medium and long range development plans. Long range strategies are not developed using the information available (e.g., identification of potential agricultural markets and a step-by-step plan for developing production, logistics, etc. which will permit exploitation of that market). Rather, projects are

Figure 5

Standardized Organization Chart as Proposed by the Law of
Departmental Development Corporations



proposed to address needs which are not identified through a formal technical mechanism, nor which take into account what the departments development requirements will be five to ten years in the future.

Another common characteristic -- which is primarily a function of the age of the corporations -- is a less than adequate system of management and administration. Internal monitoring and reporting systems and other management controls are elementary. Providing assistance to improve management will have a significant and positive effect on each corporation.

a. Regional Corporation for the Development of the Northeast
(CORDENO)

Established in 1967, CORDENO is the corporation tasked with the development of the Amazon basin of northeast Bolivia. CORDENO is located in the city of Cobija, but, because of the isolation of the department (caused by lack of roads connecting it with the rest of Bolivia), also maintains offices in Riberalta, on the boarder with the department of Beni, and in La Paz.

A nine member Board of Directors has traditionally been the source of project ideas as well as the body to make final decisions on which proposals to submit to the MPC for funding. Representatives on the Board include the President of CORDENO (also Director of the Board), the mayor of Cobija and representatives of the military, civil groups, business and commerce, the MPC and the campesino federation.

CORDENO is the weakest corporation participating in the project because of its small staff lacking in technical expertise and experience. The isolated nature of the department makes it difficult to attract qualified personnel, thus further complicating this problem. It is dependent on transfers from the national treasury -- figured as 1% of the value of imports -- for its investment budget. In 1978 this budget is \$2.7 million. CORDENO has a professional staff of ten who are economists and engineers. The corporation has a planning office, but it is not staffed. Program planning, which consists primarily of a listing of project descriptions, is coordinated out of CORDENO's office in La Paz, which is run by the MPC representative to the Board of Directors. In accordance with the new Law of the Corporations, the planning office will be staffed and the planning function carried out entirely in Cobija. The Corporation will also be establishing a Social Development Division and a sociologist recruited to head this office in order to provide the mechanism for integrating the needs and concerns of the rural poor target group into the planning process.

With the assistance of a Bolivian consulting firm, CORDENO has just completed a study of the natural resources in the Pando. Last year a socio-economic study of the Department was completed. These two documents will serve as the foundation for the development of

medium to long-term plans for the Pando and will be used extensively by the technical assistance team.

b. Public Works Committee of Beni (C.OO.PP. Beni)

C.OO.PP. Beni is located in Trinidad the capital of Beni. The Corporation was established in 1968. The ten member Board of Directors is headed by the President who is also a full time staff member of the Corporation. C.OO.PP. Beni's professional staff of 19 represents a doubling of the level in 1975. Both the Board of Directors and the staff are the primary sources of project ideas although the Corporation has also solicited and received proposals from community organizations from throughout the department. The professional staff (agricultural engineers, agriculturalists and economists) has the responsibility of preparing the projects.

C.OO.PP. Beni does not have a planning office but two economists (one of whom is trained in Bolivia at the graduate level) on the staff provide the planning functions. A separate planning division will be established in the Corporation under the new Law of Corporations and the technical assistance team will work closely with the staff to develop the capability to formulate medium and long range plans, to identify corresponding development projects, and to manage project implementation. Present planning methodology consists only of preparing projects based on requests from throughout the department which do not address, in a coordinated manner, the needs of the department. As with CORDENO, C.OO.PP. Beni will also be establishing a Social Development Division to give added focus to its efforts to integrate the rural poor into the planning process.

C.OO.PP. Beni is also dependent on the national treasury for its annual investment budget. In 1978, the budget is \$2.5 million.

c. Public Works and Development Corporation of Tarija (CODETAR)

Established in 1971, CODETAR is charged with the development of Tarija, a department in the southeastern valleys and Chaco plains of Bolivia. A ten member Board of Directors serves as a policy body and also assists with final decisions on projects to be submitted as part of the annual operating plan. CODETAR has a total of 174 employees including 52 professional staff.

In terms of numbers of professionals, the Corporation has the most complete planning staff of the corporations participating in the project. However, despite a number of studies which have identified potential areas for exploitation, the planning staff has not prepared a medium to long range development plan which identifies where interventions should be made, nor have they identified specific projects

which would realize the development goals set out in the plan. This is a weakness that the planning staff (which consists of a number of young professionals) recognizes, and they have identified assistance in more rational integration of project development into a comprehensive development plan as a major need of the Corporation.

CODETAR has a Social Development Division and has shown an early interest in including the rural sector in its planning process. They have requested that a course on the social impact of economic development be included in the training program of this project.

The administrative and management activities of the Corporation are additional problem areas which the project will address. A recent review by the Mission's Financial Accounting and Reporting Staff concluded that improvements are needed in accounting, budgeting, fixed assets control, procurement and warehousing.

CODETAR's investment budget is generated from petroleum royalties. Its 1978 budget is \$3.9 million.

d. Public Works and Development Corporation of Potosí (CODEPO)

Located in the Department capital of Potosí, CODEPO was established in 1968 with the objectives of promoting economic development and performing public works for the population in the southern altiplano and high valleys. Representation on the Board of Directors has been limited to residents of the city of Potosi. However, in accordance with the new Law of the Corporations the composition of this policy-making body will be restructured to include representatives from throughout the department.

An executive council consisting of the directors of each division in the Corporation advises the President of the Corporation in all planning and project selection decisions. CODEPO employs 150 persons of whom 43 are professionals, mainly engineers and economists. As directed by its charter, CODEPO long emphasized the urban development and public works needs of the city of Potosi with specific projects designed by engineers. It was not until 1976 that a Planning Division was created and CODEPO began to expand its activities to include the entire department.

Since 1974, CODEPO has performed a number of feasibility studies including a departmental assessment. As with Tarija and the other Corporations, the planning staff has little experience in taking the data available from these studies and translating them into medium to long range development plans which include specific project activities required to meet the goals of the plans. Thus, it is in this area of work that project technical assistance will focus.

As the Corporation has expanded its activities to include a more department-wide focus, awareness of the social impact of the development process has also expanded. CODEPO has a Social Development Division which has recently recruited its fourth member, a sociologist to help further the Corporation's development in this area.

As has been discussed elsewhere, Potosi will be the principal site for the integrated rural-urban development component of the project, primarily because of the relatively larger number of urban locations -- a reflection on the mining sector as well as the more urban nature of the department. This is a particular problem for CODEPO and the fact that over 30 percent of its investment budget is for basic urban infrastructure, such as sanitation, is an indication of the priority that goes to the urban areas.

CODEPO's investment budget is secured from mining royalties. In 1978 the budget is \$6.3 million.

e. Public Works and Development Corporation of Chuquisaca
(CODESA)

CODESA was established in 1967 and services the Department of Chuquisaca, a region of inhabitants located mainly in the south-eastern valleys, from the capital city of Sucre. The twelve member Board of Directors, as in CODEPO, is mainly representative of the Sucre area, although increased representation from throughout the department is now mandated and expected soon. The Board is primarily a policy-making body, with a Technical Committee composed of the directors of each division within the Corporation advising the President of the Corporation on all matters regarding planning and project decisions.

CODESA has a staff of approximately 200, including 54 professionals. The Planning Department has a staff of three; however, more time is devoted to data collection than to actual planning based on the data. Since 1972, CODESA has prepared several studies including a department assessment. Yet, as is the case with the other corporations, the data are not taken and integrated into a long-term development plan for the department. Planning continues to be preparation of the annual operating plans which are primarily a listing of project descriptions outlining the projects which the Corporation wishes to finance, but which relate only minimally to the not-well-defined departmental development strategy. Technical qualifications or capabilities of the staff are not the reasons why planning has not progressed to the point of developing appropriate strategies for the department. Rather, the problem is one of experience and application, which can be successfully addressed by the technical assistance team.

Although its planning process is weak, CODESA has been shifting its program focus more and more to the rural sector; approximately 40 percent of its investment budget is now devoted to agriculture. Petroleum royalties are the source of CODESA's investment budget. In 1978, the budget is \$4.7 million.

PART IV IMPLEMENTATION ARRANGEMENTS

A. Administrative Arrangements

1. Role of the Ministry of Planning and Coordination

The Ministry of Planning and Coordination will be the primary implementing agency for the project through the Sub-Secretary for Planning. Under the direction of the Sub-Secretary, the Department of Regional Programming will work with the technical assistance team. The MPC will have general coordinating responsibility and, through the technical assistance provided, work to integrate departmental development plans more efficiently in the national planning system. The MPC and Department of Regional Programming will also have the following general technical and evaluative responsibilities:

a. Technical

- 1) Overall coordination and supervision of the project;
- 2) Overseeing the development of materials and guidelines for development planning and project identification, analysis and evaluation;
- 3) Developing an overall project implementation plan on an annual basis; and
- 4) Through ISAF, developing the internal capability to provide training in development planning on a permanent basis.

b. Evaluation

The MPC will conduct joint annual evaluations with the Mission to examine project objectives and achievements. Factors to be examined in the evaluations include:

- 1) Perception, both in the MPC and departments, of the project's goal and objectives;
- 2) Impact of long-term technical assistance;
- 3) Appropriateness of composition of the technical assistance team in meeting the needs of the departmental committees;
- 4) Work plans which are developed;
- 5) Utility of training materials prepared;

- 6) Utility of the short-term training courses in improving technical capacity of departmental corporation staffs;
- 7) Replication of project in other departments;
- 8) Influence on the national planning cycle;
- 9) Projects developed by the corporations based on the assistance provided;
- 10) Participation of the target group in identification, selection and implementation of projects; and
- 11) Adequacy of resources available to the corporations, the number of projects implemented, and how resources are being allocated to the social sectors and projects which impact on the target group.

The MPC will develop an annual evaluation plan for all project activities and will conduct, through the Departments of Regional Programming and Sectoral Planning, studies, as appropriate, on project features and make recommendations to improve their effectiveness.

2. Role of the Departmental Corporations

Part II. B discusses the rationale for selecting the departments of Pando, Beni, Chuquisaca, Tarija and Potosi to participate in the project, and for the assignment of the technicians to work with the development corporations in these departments. Although they will be the recipients of a large quantity of technical assistance, the corporations will have the responsibility of working with the technicians to continually refine their planning requirements so that the technical assistance can be appropriately focused to assure maximum impact on the planning system. The director of the planning division in each corporation will be responsible for coordinating the efforts of the technical assistance team.

3. Role of the USAID

The Mission will monitor the implementation of the project and will work closely with the MPC and the corporations to assure timely implementation and to help solve problems as they may arise.

The primary monitoring responsibility will reside with the Mission Project Committee. The Committee's responsibilities will include:

- a. Assisting the MPC in contracting technical assistance;
- b. Maintaining contacts with the MPC and the planning units in the departments;
- c. Reviewing monthly and special reports; and
- d. Maintaining liaison and requesting advice from Mission technical divisions on project implementation problems.

In the recently submitted DAP, the Mission has requested the addition of a public administration expert to its direct hire staff. When approved and on board, it is proposed that the individual filling this position staff a new division in the Mission which would manage projects related to the Departmental Development Corporations. As such, it is expected that primary monitoring responsibility for this project will eventually be transferred to the public administration expert.

B. Contracting Arrangements

In keeping with AID preference regarding contracting arrangements, host country contracting will be employed for all project-funded technical assistance and commodities. The MPC will be the responsible GOB contracting agent. It is expected that one institutional contract will be signed to provide both the team of long-term advisors and the short-term technicians required to address specific development/implementation problems outside the expertise of the long-term advisors. In this manner, coordination between the long and short-term advisors will be facilitated, and questions regarding supervisory control over the work effort will be minimized. It is also expected that an institutional contract will be the most efficient method of supplying short-term advisors, particularly if situations arise when it is important that an advisor be provided on short notice. The Mission will assist the MPC develop the necessary bid documentation. All procurement will take place in accordance with the procedures defined in Handbook 11.

C. Implementation Plan

The following is a schedule of major events throughout the life of the project:

- | | |
|--|----------------|
| 1. AID/W approval | April 1978 |
| 2. Project Agreement signed | May 1978 |
| 3. RFP issued | June 1978 |
| 4. Institutional contract signed | September 1978 |
| 5. Arrival of technical assistance team | January 1979 |
| 6. Detailed departmental work plans completed | February 1979 |
| 7. Short-term advisor(s) arrives to assist in development of first training course | March 1979 |
| 8. Draft training materials prepared | April 1979 |
| 9. First training course held | April 1979 |
| 10. First seminar in integrated rural-urban development | May 1979 |
| 11. First evaluation | July 1979 |
| 12. ISAP staff member departs for advanced training in development planning | August 1979 |

- | | |
|---|---------------|
| 13. Second evaluation | February 1980 |
| 14. Revised training materials prepared | May 1980 |
| 15. Third evaluation | February 1981 |
| 16. Final training course held | May 1981 |
| 17. Final evaluation | February 1982 |

D. Evaluation Plan

The project will be continually monitored by the MPC and USAID. Joint evaluations will be held on a regularly scheduled basis to examine institutional arrangements, coordination between the national and departmental levels (including the perception at each level of project goals and objectives), and the appropriateness of project inputs toward meeting project objectives. Proposed evaluation factors are discussed above in Part IV.A.1. These factors will be defined in more detail during the early phases of project implementation. The MPC and departmental corporations will provide the inputs necessary to refine the factors. The evaluations will serve as a basis for making adjustments in the design of the project and the resulting modifications in its implementation.

The schedule for the planned evaluations is indicated above in the Implementation Plan. The first evaluation has been scheduled at a relatively early date in order to test the initial assumptions of the project and to provide the opportunity to make any necessary corrections before project momentum makes such corrections difficult. This evaluation will involve GOB, Mission and AID/W personnel. The third evaluation will also involve GOB, Mission and AID/W personnel.

The second and final evaluations will be more indepth efforts than the initial evaluation. A consulting firm, in addition to GOB and USAID personnel, will be contracted to assist with these evaluations and may also be called upon to perform special evaluations of project implementation.

E. Conditions, Covenants and Negotiating Status

1. Conditions Precedent to Disbursement

Except as AID may otherwise agree in writing, prior to any disbursement under the Project Agreement the Government of Bolivia shall furnish to AID in form and substance satisfactory to AID:

a. An operational plan for the project which includes a definition of the roles and responsibilities of the Regional Programming Division of the MPC, of the department development committees of

Pando, Beni, Chuquisaca, Potosi and Tarija and the personnel in these entities who will serve as counterparts to the technical assistance team, and detailed scopes of work for the technical assistance team;

b. A financial plan which details over a three year period the GOB contribution to the project and indicates that funding is authorized for the project; and

c. A time phased plan for the provision of required counterpart personnel.

2. Special Covenants

Except as AID may otherwise agree in writing, the Government of Bolivia shall covenant that:

a. Adequate operational budgets will be provided to each departmental development corporation;

b. The National Institute of Public Administration's (ISAP) budget will be adequate to cover increased training and material reproduction costs which result from the project;

c. Planning techniques and training materials developed will be used in the preparation of annual operation plans and in the identification, evaluation and design of projects which are consistent with these plans; and

d. A joint annual evaluation will be conducted based on an evaluation plan prepared by the MPC.

3. Negotiating Status

Personnel in the MPC have been closely involved in the development of the project. No outstanding issues remain to be negotiated, and it is expected that a Project Agreement will be signed in May, 1978.

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SUBJECT: BOLIVIA RURAL DEVELOPMENT PLANNING

THE DAEC REVIEWED SUBJECT PRP ON NOV. 23 AND AUTHORIZED INTENSIVE REVIEW OF THE PROJECT. THE FOLLOWING GUIDANCE IS BEING PROVIDED MISSION FOR PREPARATION OF THE PP.

1. LONG-TERM INSTITUTIONAL CAPABILITY - GIVEN THE SHORT-TERM NATURE OF THE TECHNICAL CONSULTANTS TO BE PROVIDED UNDER THE PROJECT, MISSION SHOULD EXAMINE, AS AN ALTERNATIVE OR COMPLEMENTARY PROGRAM, THE POSSIBILITY OF ASSISTING SOME ELEMENT OF LONGER-TERM INSTITUTIONAL CAPABILITY WITHIN THE BOLIVIAN GOVERNMENT (E.G. BOLIVIAN INSTITUTE OF PUBLIC ADMINISTRATION - ISAP) TO CONTINUE TRAINING AFTER AID PROJECT TERMINATION.
2. PROJECT LIFE - DURING INTENSIVE REVIEW MISSION SHOULD DETERMINE WHETHER THE CURRENTLY PROJECTED TWO-YEAR LIFE-OF PROJECT WILL PROVIDE SUFFICIENT TIME TO CONTRACT TA AND CREATE PLUS EVALUATE PLANNING METHODOLOGIES AT THE THREE LEVELS OF THE PROCESS. THIS WOULD BE PARTICULARLY IMPORTANT IF MISSION SHOULD DECIDE TO INCORPORATE LONGER-TERM INSTITUTIONALIZATION OF TRAINING INTO PROJECT PURPOSES AS PER PARAGRAPH 1.
3. GEOGRAPHIC FOCUS - THE PP SHOULD JUSTIFY MORE FULLY THE SELECTION OF DEPARTMENTS FOR PROJECT CONCENTRATION. THE RELATIVE NEED OF THE SANTA CRUZ AREA FOR THIS EXTERNAL ASSISTANCE WILL REQUIRE PARTICULAR SCRUTINY.
4. REPLICATION - THE PROJECT IS EXPECTED TO DEVELOP PLANNING TECHNIQUES WHICH WILL BE TRANSFERRED TO OTHER DEPARTMENTS AND MINISTRIES OVER TIME. DURING INTENSIVE

REVIEW THE MISSION SHOULD DETAIL THE MANNER, TIMING, AND PROBABILITY OF REPLICATION WHEREBY INFORMATION AND PLANNING RESOURCES WILL BE TRANSFERRED TO OTHER GEOGRAPHIC AREAS AND ORGANIZATIONS.

5. DECENTRALIZATION AND TARGET GROUP PARTICIPATION - GIVEN THE GOB TENDENCY TOWARDS A HIGH DEGREE OF CENTRALIZATION THE PP SHOULD ADDRESS GENERAL IMPLEMENTATION CONSTRAINTS WHICH MIGHT OCCUR AT THE DEPARTMENT COMMITTEE LEVEL. IN ADDITION, THE PP SHOULD SPECIFICALLY RESPOND AS TO HOW ELEMENTS OF PARTICIPATORY PLANNING CAN BEST BE INCORPORATED INTO PROJECT DESIGN TO INSURE SIGNIFICANT TARGET POPULATION INVOLVEMENT IN THE PLANNING PROCESS ON ONE HAND AND THE RESPONSIVENESS OF PLANNING OFFICIALS AND ORGANIZATIONS TO FELT TARGET GROUP NEEDS ON THE OTHER.

6. FUNDING LEVEL - THE PRP PROPOSED A FUNDING LEVEL OF 845,000 DOLS WHILE THE ABS REVIEW APPROVED A LOWER LEVEL OF 620,000 DOLS. THE HIGHER FUNDING LEVEL IS SUBJECT TO THE AVAILABILITY OF FY 78 GRANT FUNDS BUREAU-WIDE.

7. THE AA/IA HAS REACHED AN ENVIRONMENTAL THRESHOLD DECISION FOR THIS PROJECT INDICATING A NEGATIVE DETERMINATION. KISSINGER

BT



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BOLIVIA



La Paz, 17 de marzo de 1978

DIRREG Nº 17/78 762

Señor
Frank B. Kimball
Director USAID/Bolivia
Presente

Ref: Proyecto de Asistencia Técnica para
la Planificación Regional

Señor Director :

Me es grato dirigirme a usted para poner en su conocimiento el interés del Gobierno de Bolivia de desarrollar, por intermedio del Ministerio de Planeamiento y Coordinación y la participación de USAID/Bolivia, - un proyecto de cooperación técnica dirigida a mejorar el nivel de vida del habitante rural, en las regiones de Potosí, Chuquisaca, Tarija, Ba ni y Pando.

El Proyecto tiene el propósito de apoyar a la Dirección de Planeamiento Regional dependiente de este Ministerio y a las Corporaciones de Desarrollo, en el fortalecimiento de los sistemas de planificación regional y de asignación de recursos.

Mediante la presente, solicito a usted la donación de \$us. 2.500.000.- que serán utilizados en el mencionado proyecto, de acuerdo al detalle adjunto. La contraparte nacional alcanza a la suma de \$us. 1.100.000.00 y será proporcionada tanto por este Portafolio como por las respectivas Corporaciones.

Sin otro particular, me es grato saludar a usted atentamente,



[Signature]
Lic. Enrique García Rodríguez,
SUBSECRETARIO DE PLANEAMIENTO

FILE:	Sin otro particular, me es grato saludar a usted atentamente,	
DIV	ACTION	INFO
ADM		/
ADM		/
DPE		
RIA		
DR	/	
CGN		
NA		
HRDD		
HHA		
RDD		
ETD		
COI		
AAG		
C&R		
Reply due	3/29	
Action taken		



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SOLICITUD DE COOPERACION INTERNACIONAL A USAID

- I. TITULO DEL PROYECTO.- Planificación Regional para el Desarrollo Rural Integrado.
- II. INSTITUCIONES EJECUTANTES.-
- i) Al nivel central, Ministerio de Planeamiento y Coordinación a través de su Dirección de Planificación Regional y,
 - ii) Al nivel regional, Las Corporaciones de Desarrollo Regional de los departamentos de Potosí, Tarija, Chuquisaca, Beni y Pando, mediante sus respectivas divisiones de Planificación.
- III. NATURALEZA DEL PROBLEMA QUE GENERA EL PROYECTO.- El proceso de desarrollo que se ha verificado en el país en los últimos años, se ha caracterizado básicamente por la ejecución de proyectos en el área de la infraestructura básica y de los sectores económico-productivos.
- Este proceso, ha originado cierto grado de polarización de los ingresos, especialmente entre los sectores urbano y rural, con los consiguientes problemas que se traducen en la conformación de segmentos poblacionales marginales en las principales ciudades del país y cuyos orígenes están en los bajos niveles de ingreso y de bienestar social del campesino.
- La problemática campo-ciudad, dada su estrecha interrelación requiere, por lo tanto, de un enfoque integral, aspecto que no se ha tomado en cuenta, en gran parte debido a que el enfoque institucional que se ha venido desarrollando en el área rural es fundamentalmente de carácter sectorial y de prestación de servicios. Lo anterior está originando una dispersión geográfica, falta de coordinación y consiguientemente el desperdicio de recursos humanos, materiales y financieros.
- Ante este mecanismo institucional, en el último decenio se han ido gradualmente fortaleciendo las instituciones de carácter regional, que si



bien inicialmente nacieron con el objeto de ejecutar proyectos de infraestructura en las principales ciudades, finalmente se transformaron en entes con una perspectiva de desarrollo integral de la región.

La institucionalización de este proceso se ha consolidado mediante la promulgación de la Ley de Corporaciones Regionales de reciente aprobación por el Gobierno, que posibilitará una estrecha coordinación programática y operativa entre las instituciones de carácter sectorial y regional.

En este contexto institucional, se plantea el abordar la problemática campo-ciudad dentro de un enfoque regional, lo cual permitirá superar las soluciones parciales en el área rural que hasta el presente se han estado verificando.

Dentro de este panorama, se han escogido las regiones sujetas al proyecto, las mismas que podrían tipificarse desde una concepción integral en :

- i) Chuquisaca, Tarija y Potosí, Estas regiones son altamente problemáticas desde el punto de vista rural, debido principalmente a las altas densidades poblacionales de las zonas rurales, el relativo potencial agropecuario, las deficiencias en cuanto a la prestación de servicios básicos, la estructura de tenencia de la tierra y otros, que finalmente presionan en la conformación de flujos marginales rural-urbano y rural-rural, estas últimas a países fronterizos.
- ii) Beni y Pando, presentan un potencial agropecuario sub-utilizado y densidades poblacionales rurales bajas que subsisten en condiciones paupérrimas y requieren de un apoyo integral que posibilite su integración en la economía regional.

Finalmente, dentro de la estrategia regional planteada en el Plan de Desarrollo Económico y Social 1976-1980, las acciones se enfatizan para el Eje Central compuesto por La Paz, Oruro, Cochabamba y Santa Cruz que al presente se



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encuentra en pleno desarrollo. Como acciones complementarias está la zona Sur (Chuquisaca, Potosí y Tarija), regiones donde se requerirá el fortalecimiento de los mecanismos de planificación regional e identificación de proyectos que posibiliten gradualmente la generación de un desarrollo autosostenido de la región. A su vez la zona de expansión (Beni y Pando) está constituida por regiones de reciente conformación como instituciones regionales, donde se deberán implementar los mecanismos de planificación regional y principalmente identificación de proyectos que posibiliten aprovechar el potencial natural de dichas regiones, y paralelamente generar nuevas fuentes de empleo.

El proceso de planificación regional brevemente descrito y la promulgación de la Ley de Corporaciones, requerirán desde el nivel central, vale decir desde la Dirección de Planificación Regional del Ministerio de Planeamiento y Coordinación, una acción más profunda que permita normar las acciones que se sigan desarrollando a nivel regional, dentro del marco de los lineamientos de política nacional encuadrados en el Sistema Nacional de Planeamiento y del Sistema Nacional de Proyectos.

IV. OBJETIVOS DEL PROYECTO

Los objetivos generales del proyectos son :

- Elevar los niveles de vida y bienestar social de la población, especialmente la asentada en las zonas rurales,
- Integrar gradualmente a las diferentes regiones del país, dentro de un proceso de desarrollo armónico y equilibrado.
- Superar las distorsiones en el uso del espacio económico, principalmente la relación campo/ciudad.



Los objetivos específicos del proyecto tienden a :

- Mejorar el Sistema Nacional de Planificación Regional de acuerdo a los lineamientos de políticas desarrolladas por el Ministerio de Planeamiento y Coordinación.
- Dentro de los lineamientos anteriores, mejorar los sistemas de planificación al nivel regional (Corporaciones) mediante la formulación de planes regionales, planes operativos, estadísticas regionales, etc.
- Diseñar mecanismos e instrumentos para identificación, formulación, evaluación y ejecución de proyectos de interés regional, de acuerdo a las prioridades regionales y/o locales especialmente en áreas rurales.
- Promover la capacitación de personal técnico en los diferentes campos de la planificación regional y rural.
- Posibilitar el intercambio de experiencias al nivel inter-regional mediante la realización de seminarios y conferencias.
- Asistir a las regiones en tareas específicas de trabajo a corto plazo.
- Integrar los anteriores objetivos dentro de un sistema único e inter-relacionado que posibilite la continuación del Sistema de Planificación Regional en forma sistemática.

V. SERVICIOS DE COOPERACION TECNICA REQUERIDOS

a) Asistencia Técnica (Expertos)

La asistencia técnica requerida por el período de tres años es la siguiente :

- Al nivel central

1 Planificador Regional Generalista

- Al nivel regional

2 Planificadores Regionales

2 Especialistas en Identificación, Elaboración y Evaluación de Pro-

yectos



- 1 Especialista en Proyectos Integrados Urbano-Rurales
- 1 Especialista en Proyectos de Pequeña Industria Rurales.

Consultores

Se contará con 36 meses/hombre de consultoría

La distribución de los técnicos requeridos para el proyecto será la siguiente :

El Planificador Regional Generalista será el Jefe del grupo de técnicos, y tendrá como sede de sus funciones la ciudad de La Paz, en la Dirección de Planificación Regional del Ministerio de Planeamiento y Coordinación, cuyo Director actuará como contraparte nacional.

Un Planificador Regional con sede en Sucre estará destinado a asistir a las Corporaciones Regionales del Sur (Chuquisaca, Potosí y Tarija) y a su vez estará encargado de la coordinación de trabajos del Especialista en Identificación, Elaboración y Evaluación de Proyectos que tendrá como sede Tarija; del Especialista en Proyectos Integrados Urbano-Rurales con sede en Potosí y del Especialista en proyectos de Pequeña Industria Rurales que radicará en Sucre. Estos últimos técnicos, y de acuerdo a planes de trabajo previamente elaborados, realizarán sus actividades en las tres regiones mencionadas.

El restante Planificador Regional estará localizado en Trinidad (Beni) y además atenderá los requerimientos de Pando. Asimismo, estará encargado de la coordinación de trabajos del Especialista en Identificación, Elaboración y Evaluación de Proyectos con sede en la ciudad de Cobija (Pando) y paralelamente atenderá al departamento del Beni.

Los meses/hombre Consultores, serán programados de acuerdo a las necesidades y desarrollo del programa, y serán requeridos para aspectos específicos y



altamente especializados.

Las funciones principales de los expertos y los requerimientos mínimos se incluyen en el Anexo 1.

b) Adiestramiento

Dentro del proyecto se prevé la realización de cinco cursos de adiestramiento, en materias de Planificación Regional; Identificación, Preparación y Evaluación de Proyectos; Funciones Urbano-Rurales, a ser preparados conjuntamente con el Instituto Superior de Administración Pública (ISAP), en las diferentes regiones donde atiende el Proyecto.

Simultáneamente, se efectuarán ciertos estudios básicos que sean necesarios para el desarrollo del proyecto, para lo cual se tienen asignados recursos.

Los recursos globales provenientes de la cooperación internacional están incluidos en el Anexo 3.

VI. MARCO INSTITUCIONAL

Dirección de Planificación Regional

Dentro de la estructura del Ministerio de Planeamiento y Coordinación la Dirección de Planificación Regional es la encargada de coordinar y compatibilizar los planes de desarrollo regional elaborados por las Corporaciones Regionales, con los objetivos nacionales.

La Dirección enfatiza sus principales actividades en preparar los planes regionales y revisar los principales proyectos que son puestos a consideración del Comité Nacional de Proyectos.

Instituto Nacional de Administración Pública (ISAP)

ISAP es una institución descentralizada dependiente del Ministerio de



Planeamiento y Coordinación, y su función principal es la de entrenar y capacitar al personal de la administración pública en general, ISAP cuenta dentro de su personal profesional con expertos en economía, auditoría, planificación, proyectos de desarrollo, políticas fiscal y monetaria, estadística y administración.

Corporación Regional del Noroeste (CORDENO)

Creada en 1967, CORDENO está encargada del desarrollo del departamento de Pando, y su sede está en la ciudad de Cobija. Dada su falta de conexión con los centros de administración, cuenta con oficinas en Riberalta y La Paz.

Un equipo de nueve Directores, es el encargado de definir las acciones que se efectúan al nivel regional y en este cuerpo directivo están representados, además del Presidente de CORDENO, delegados de los sectores civiles, de comercio, industria, militar y de la Federación de Campesinos.

Comité de Obras Públicas del Beni (CODEBENI)

Localizado en la ciudad de Trinidad, atiende los problemas relativos al desarrollo regional del departamento del Beni. Fué establecido en 1968, y al igual que las demás Corporaciones cuenta con un cuerpo directivo cuyo Presidente está encargado de la dirección técnico-administrativa del Comité.

Comité de Obras Públicas y Desarrollo de Tarija (CODETAR)

Encargado del desarrollo integral del departamento de Tarija, fue creada en 1971. Un cuerpo de 10 Directores trabaja en los niveles de decisión cuyo presidente esta encargado de la dirección ejecutiva de los proyectos que efectúa el Comité al nivel regional. CODETAR al presente



tiene un personal de 174 empleados, de los cuales 52 corresponden al personal profesional.

Corporación de Obras Públicas y Desarrollo de Potosí (CODEPO)

Localizado en la capital del departamento de Potosí fue establecida en 1968 y su objetivo es promover el desarrollo socio-económico de toda la región comprendida en el departamento. La representación en el cuerpo directivo de la Corporación esta restringida a las organizaciones representativas que operan en Potosí.

Actualmente CODEPO cuenta con un cuerpo de 150 empleados de los cuales 43 son de nivel profesional.

Corporación de Obras Públicas y Desarrollo de Chuquisaca (CODESA)

CODESA fue creada en 1967 y atiende a los problemas inherentes al desarrollo regional del departamento de Chuquisaca. Su sede está localizada en la ciudad de Sucre. Un equipo de 12 directores cuyos componentes son en su mayoría representantes de los principales grupos sociales del departamento. Este cuerpo directivo es el que define las principales políticas de acción de CODESA, y cuenta con un cuerpo técnico de 54 profesionales y de 146 empleados de menor nivel.

Las anteriores descripciones generales y las principales características de las Corporaciones y Comités Regionales han sido desarrolladas brevemente en razón de que a raíz de la reciente promulgación de la Ley de Corporaciones Regionales sus estructuras técnico-administrativas serán re-estructuradas de acuerdo a los objetivos y alcances de la Ley.

VII. APORT E DE LA CONTRAPARTE NACIONAL AL PROYECTO

Las contrapartes nacionales de técnicos al proyecto son :



- Al nivel central

Personal actual (La Paz)

- Director de Planificación Regional
- Asesor en Desarrollo Regional
- 1 Técnico Planificación encargado de Potosí
- 1 Técnico Planificación encargado de Chuquisaca
- 1 Técnico Planificación encargado de Tarija
- 1 Técnico Planificación encargado del Beni
- 1 Técnico Planificación encargado de Pando
- Director del ISAP
- 2 Técnicos de ISAP

Personal Nuevo

- 1 Administrador
- 1 Secretaria
- 1 Chofer
- 1 Mensajero

El personal a nivel central estará integrado básicamente por los técnicos de la Dirección de Planificación Regional del Ministerio de Planeamiento y Coordinación y del Instituto Superior de Administración Pública (ISAP).

-- Al nivel regional

Personal Actual

3 Directores de Planificación Regional	Chuquisaca, Potosí, Tarija
6 Técnicos Planificación Regional	" " "
6 Directores de Proyectos	" " "
3 Directores de Desar. Social	" " "



Personal Nuevo

3 Sociólogos	Chuquisaca, Potosí, Tarija
3 Secretarias	" " "
3 Choferes	" " "
3 Mensajeros	" " "

Personal Actual

2 Directores de Planificación	Beni, Pando
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Personal Nuevo

2 Técnicos en proyectos	" "
2 Encargados de Desarrollo Social	" "
2 Encargados en Proyectos	" "
2 Técnicos en Planificación	" "
2 Técnicos en Agricultura	" "
2 Secretarias	" "
2 Choferes	" "

Personal Actual

Contraparte Consultores, 36 m/h	Chuquisaca, Tarija, Beni, Pando Potosí
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El personal de contraparte nacional será básicamente de las Corporaciones de las regiones donde trabajará el proyecto.

El presupuesto de la contraparte nacional está desglosado en el Anexo 2, en el cual se detallan, el período de tiempo que estarían adscritos al proyecto y los costos por el período de tres años.

Se debe recalcar que el personal de contraparte detallado, sería el mínimo, y que durante el transcurso del proyecto de acuerdo a las necesidades del mismo se podrá ampliar dicho personal.



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Por otra parte, el hecho de la asignación parcial de los técnicos al proyecto, significa fundamentalmente que una de las características de la cooperación internacional, será la de entrenamiento en servicio, o sea ir gradualmente mejorando los actuales sistemas de planificación, proyectos, etc de las Corporaciones y evitar de esta forma que el proyecto se convierta en un compartimiento estanco, dentro de las actividades de los entes regionales.

Finalmente, se debe recalcar que a los costos de contraparte de técnicos descritos, se deberá incluir los aportes relativos a la provisión de oficinas, materiales y suministros y otros elementos que apoyarán en lo material al desarrollo del proyecto, cifras estas que no han sido cuantificadas, dado el carácter general de la solicitud.



TERMINOS DE REFERENCIA

(Alcances Generales)

PLANIFICADOR REGIONAL GENERALISTA

Asesorar a la Dirección de Planificación Regional del Ministerio de Planeamiento y Coordinación en :

- Elaborar dentro del marco de Lineamientos de Política Regional del Plan de Desarrollo Económico-Social 1976-1980 y de los Sistemas de Planeamiento y del Comité de Proyectos, una metodología para la Planificación Regional.
- Formular y desarrollar las pautas integradas para la elaboración, acompañamiento y evaluación sistemática y continua para la formulación de planes de desarrollo regional.
- Diseñar la metodología, mecanismo e instrumentos de carácter evaluativo tanto de orden cuantitativo como cualitativo que permita efectuar un seguimiento de los planes, programas y proyectos regionales.
- Coordinar las actividades del Grupo de Asesores en la formulación de sus actividades dentro del marco de trabajo a ser preparado por el Planificador Regional.
- Elaborar un Plan de Trabajo para el Grupo de Asesores en coordinación con el Director de Planificación Regional.
- Diseñar los alcances y contenido de los Seminarios a efectuarse.
- Elaborar los términos de referencia de los Consultores de corto plazo.

REQUISITOS

- Tener formación profesional y de post-grado en Planificación Regional.
- Tener una experiencia profesional en trabajos de campo, mínimo de 8 años en Planificación Regional.



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- Tener un conocimiento fluente del español.
- Tener experiencia en Planificación Regional en países en desarrollo, con preferencia en Latinoamérica.



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PLANIFICADORES REGIONALES

(Alcances Generales)

Asesorar a la Dirección de Planificación Regional de las Corporaciones Regionales en :

- Preparar los alcances y contenidos metodológicos para la formulación de Planes de Desarrollo Regional de acuerdo a los alcances preparados por la Dirección de Planificación Regional del Ministerio de Planeamiento y Coordinación, adecuados a las características de la región, y dentro del Sistema Nacional de Planificación.
- Elaborar los alcances y contenidos metodológicos para la elaboración de Planes Operativos Anuales, de acuerdo a las pautas generales elaboradas por el Ministerio de Planeamiento y Coordinación y la co-Dirección del proyecto.
- Diseñar un sistema de indicadores socio-económicos, tanto cualitativos como cuantitativos que permita una evaluación continua de los planes, programas y principalmente de proyectos.
- Elaborar los lineamientos de política regional de corto, mediano y largo plazo, encuadrados dentro de la política nacional de desarrollo regional.
- Preparar un Plan de Trabajo específico para la región de acuerdo con la Dirección del proyecto y los Directores de Planificación de las Corporaciones.
- Coordinar las actividades de los expertos y consultores ubicados en la región.

REQUISITOS

- Tener formación y experiencia profesional y de post-grado, en Planificación Regional.
- Tener experiencia profesional en trabajos de campo, mínimo de 5 años en Planificación Regional.



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- Tener un conocimiento fluente del español.
- Tener experiencia en Planificación Regional en países de desarrollo con preferencia en Latinoamérica. En el caso de Beni y Pando se requerirá experiencia en áreas tropicales; para Potosí, Chuquisaca y Tarija se requerirá experiencia en áreas andinas y templadas.



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EXPERTOS EN IDENTIFICACION, ELABORACION Y EVALUACION DE
PROYECTOS

(Alcances Generales)

Asesorar a las Direcciones de Planificación y Proyectos de las Corporaciones Regionales en :

- Diseñar un sistema continuo de identificación, elaboración y evaluación de proyectos de carácter regional de acuerdo a las pautas del Comité Nacional de Proyectos.
- Elaborar una metodología y criterios de priorización de proyectos con objetivos de corto, mediano y largo plazo, de acuerdo con los lineamientos de políticas nacional y regional.
- Diseñar los esquemas tipo para la elaboración, seguimiento y evaluación de proyectos.
- Elaborar una tipología de proyectos de carácter urbano; rural; intraregional; dentro de esquemas sub-regionales y regionales, y otros adecuados a las características de la región.
- Coordinar sus actividades con las pautas de trabajo de la Dirección de Planificación Regional de la Corporación y con las del Ministerio de Planeamiento y Coordinación.
- Elaborar un Plan de Trabajo enmarcado dentro del Plan de Trabajo General del Proyecto.
- Asesorar conjuntamente con los expertos en Desarrollo Rural Integrado; en Pequeñas Industrias y los Consultores de corto plazo, en la preparación de los proyectos.

REQUISITOS

- Tener formación profesional universitaria y de post-grado en identificación, elaboración y evaluación de proyectos en general.



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- Tener experiencia profesional de campo, con un mínimo de 5 años y con preferencia en Latinoamérica.
- Tener un conocimiento fluente del español.



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ESPECIALISTA EN PROYECTOS INTEGRADOS URBANO-RURALES

Asesorar a las Direcciones de Planificación y de Desarrollo Social de las Corporaciones Regionales en :

- Zonificar e identificar áreas sujetas a Proyectos Integrados Urbano-Rural (PIUR)
- Elaborar las pautas de carácter multisectorial en la elaboración, seguimiento y evaluación de proyectos integrados Urbano Rurales.
- Elaborar una tipología y prioritación de áreas de PIUR de acuerdo a las características de la región.
- Identificar acciones concretas, tales como la prestación de servicios urbanos rurales, capacitación, organización, etc.
- Diseñar los mecanismos de programación, ejecución y participación de los campesinos en los proyectos PIUR.
- Coordinar sus actividades con los planes de trabajo de la Dirección de Proyectos y del Ministerio de Planeamiento y Coordinación.
- Elaborar un Plan de Trabajo específico para cada región, de acuerdo con el Plan de Trabajo General y en coordinación con el Especialista en Planificación Regional.

REQUISITOS

- Tener formación profesional y de post-grado en Proyectos Integrados Urbano-Rurales.
- Tener una experiencia de campo mínima de 5 años, y con preferencia en Latinoamérica.
- Tener un conocimiento fluente del español.



Presidencia de la República
MINISTERIO DE PLANEAMIENTO
Y COORDINACION
BOLIVIA

ESPECIALISTA EN PEQUEÑA INDUSTRIA AGROPECUARIA

Asesorar a las Direcciones de Planificación y de Desarrollo Social de las Corporaciones Regionales en :

- Identificar proyectos de Pequeña Industria Agropecuaria con énfasis en las áreas rurales menos favorecidas dentro del contexto regional.
- Identificar proyectos en los cuales la transferencia de tecnología pueda ser rápidamente implementada en las áreas rurales.
- Diseñar los mecanismos e instrumentos para la conformación e implementación de proyectos de Pequeña Industria.
- Preparar programas de motivación, participación, capacitación y administración de proyectos de Pequeña Industria.
- Elaborar los medios para la promoción y comercialización de productos.
- Coordinar las actividades con la Dirección de Proyectos; Planificación Regional y el Ministerio de Planeamiento y Coordinación.
- Elaborar un Plan de Trabajo específico para cada región de acuerdo al Plan de Trabajo General, y en coordinación con el Especialista en Planificación Regional.

REQUISITOS

- Tener formación profesional y de post-grado en Pequeña Industria en áreas rurales.
- Tener una experiencia de campo mínima de 5 años.
- Tener conocimiento fluente del español.
- Tener experiencia en países en vías de desarrollo con preferencia en Latinoamérica.

<u>Personal Nuevo</u>						
3 Sociólogos	Chuq/Potosí/Tarija	36	18.000.-	50%	18	9.000.-
3 Secretarias	"	36	7.200.-	100%	36	7.200.-
3 Choferes	"	36	4.500.-	"	36	4.500.-
3 Mensajeros	"	36	3.600.-	"	36	3.600.-
		144	33.300.-		126	24.300.-
<u>Personal Actual</u>						
2 Directores de Planificación	Beni/Pando	24	18.000.-	50%	12	9.000.-
		24	18.000.-		12	9.000.-
<u>Personal Nuevo</u>						
2 Técnicos en Proyectos	Beni/Pando	24	16.200.-	75%	18	12.150.-
2 Directores de Desar. Social	"	24	18.000.-	50%	12	9.000.-
2 Directores en Proyectos	"	24	18.000.-	50%	12	9.000.-
2 Técnicos en Planificación	"	24	16.200.-	75%	18	12.150.-
2 Técnicos en Agricultura	"	24	16.200.-	50%	12	8.100.-
2 Secretarias	"	24	4.800.-	100%	24	4.800.-
2 Choferes	"	24	3.600.-	100%	24	3.600.-
		168	93.000.-		120	58.800.-
<u>Personal Actual</u>						
Contraparte Consultores	Beni/Pando/Tarija Chuq/Potosí	12	8.100.-	100%	12	8.100.-
		12	8.100.-		12	8.100.-
TOTAL GENERAL POR AÑO :					501	237.150.-

PRESUPUESTO TOTAL POR 3 AÑOS \$us.

711.450.-

Anexo 2

CONTRAPARTE NACIONAL

(Presupuesto Anual)

Personal Técnico	Localización	Min. Planeamiento.		Corporaciones		% tiempo adscrito al proyecto	m/h/año	TOTAL \$us.
		(Sueldo actual) m/h/año	\$us.	m/h/año	\$us.			
<u>A Nivel Central</u>								
<u>- Personal actual</u>								
Director Planif. Regional	La Paz	12	9.000.-			25%	3	2.250.-
Asesor Desarrollo Regional	La Paz	12	8.100.-			50%	6	4.500.-
1. Téc. Planif. encargado Potosí	La Paz	12	6.000.-			50%	6	3.000.-
1. Téc. Planif. encargado Chuquisaca	La Paz	12	6.000.-			50%	6	3.000.-
1. Téc. Planif. encargado Tarija	La Paz	12	6.000.-			50%	6	3.000.-
1. Téc. Planif. encargado Beni	La Paz	12	6.000.-			50%	6	3.000.-
1. Téc. Planif. encargado Pando	La Paz	12	6.000.-			50%	6	3.000.-
Director ISAP	La Paz	12	9.000.-			50%	6	4.500.-
2 Técnicos ISAP	La Paz	24	12.000.-			50%	12	6.000.-
		120	68.100.0			100%	57	32.250.-
<u>- Personal Nuevo</u>								
1 Administrador	La Paz	12	8.400.-			50%	12	8.400.-
1 Secretaria	La Paz	12	3.600.-			50%	12	3.600.-
1 Chofer	La Paz	12	2.400.-			50%	12	2.400.-
1 Mensajero	La Paz	12	1.200.-			50%	12	1.200.-
		48	15.600.-				48	15.600.-
<u>Al Nivel Regional</u>								
<u>Personal Actual</u>								
3 Directores Planif. Regional	Chuq/Potosí/Tarija			36	27.000.-	50%	18	13.500.-
6 Técnicos Planif.Reg. Proyecto	" "			72	48.600.-	75%	54	36.450.-
3 Directores Proyectos	"			36	27.000.-	50%	18	13.500.-
3 Directores de Desar. Social	"			36	27.000.-	50%	18	13.500.-
3 Técnicos agricultura	"			36	24.300.-	50%	18	12.150.-
				216	153.900.-		126	89.100.-

ANEXO 3

PRESUPUESTO TOTAL DEL PROYECTO POR FUENTES DE FINANCIAMIENTO

	USAID	Min.Plan.	Corp.Reg.	TOTAL
I. Asistencia Técn.				
A. Largo Plazo (21 h/a)	1.806.0	-	-	1.806.0
B. Corto Plazo 3 h/a	252.0	-	-	252.0
C. Administrador	-	25.1	-	25.1
D. Respaldo Log.	64	-	-	64.0
Sub Total :	2.122.0	25.1	-	2.147.1
II. Adiestramiento				
A. En el exterior	14.-	-	-	14.-
B. Conferencias	-	150. *	-	150.-
C. Taller Funciones	-	-	-	-
D. Urbanos-Rurales	15	-	=	15
E. Estudios	25	100	30.5	155.5
	54.-	250.-	30.5	334.5.-
III. Equipo y Materiales				
A. Equipo de Oficina	10.-	1.5	4.0	15.5.-
B. Vehículos	50.-	-	-	50.-
C. Materiales Adiestr.	10.-	5.0	-	15.-
Sub-Total :	70.-	6.5	4.0	80.5.-
IV. Personal Gobierno				
A. Nacional	-	-	-	-
1. Técnico	-	96.8	-	96.8
2. Secretarias (1)	-	10.8	-	10.8
3. Chofer y Mensaj. (2)	-	10.8	-	10.8
B. Regional				
1. Técnicos	-	-	496.4	496.4
2. Secretarias (4)	-	-	36.0	36.0
3. Chofer y Mensaj. (4)	-	-	35.1	35.1
Sub-Total		118.4	567.5	685.9
V. Gastos de Operacíc.				
Mant. Vehículos	-	4.4	10.6	15.-
Suministros de Oficinas	-	6	2.4	3.-
Vehíc. Insum.		1.-	4.-	5.-
Sub-Total		6.0	17.0	23.-
VI. Transpor. y Viáticos				
Transporte	-	45.-	-	45.0
Viáticos	-	30.-	-	30.0
Sub-Total		75.-		75.0
Total	2.246.-	481.0	619.0	3.346
* 127		-		127.0
TOTAL GENERAL	2.500.-	481.0	619.0	3.600.0

* Incluye Donaciones.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

AID 1020-28 (7-71)
SUPPLEMENT 1

(INSTRUCTION: THIS IS AN OPTIONAL
FORM WHICH CAN BE USED AS AN AID
TO ORGANIZING DATA FOR THE PAR
REPORT. IT NEED NOT BE RETAINED
OR SUBMITTED.)

Life of Project:
From FY 1978 to FY 1981
Total U.S. Funding \$ 2,500,000
Date Prepared: 11/1/77

Project Title & Number: Rural Development Planning 511-0471

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To improve the standard of living of rural poor in the Pando, Beni, Tarija, Potosí, and Chuquisaca.</p> <p><u>Sub-Goal</u></p> <p>To improve the Bolivian departmental and national planning system.</p>	<p>Measures of Goal Achievement:</p> <p>1. (a) Increase in rural income in these five departments due to a rise in employment and increased agricultural production, brought about by development projects identified in plans.</p> <p>(b) Improved health, nutrition and living conditions of rural poor in these five departments due to development projects identified in plans.</p> <p>2. (a) Redirection of investment resources to projects of higher economic and social benefits.</p> <p>(b) Improvement in project design to raise benefit-cost ratio.</p> <p>(c) Improvement in the phasing and integration of projects.</p> <p>(d) Elimination of duplication of projects.</p>	<p>1. (a) National accounts and statistics.</p> <p>(b) Sector Assessments and Surveys.</p> <p>2. Analysis of national and regional plans and development projects.</p>	<p>Assumptions for achieving goal targets:</p> <p>1. (a) A major portion of development of projects in these five departments identified in plans and financed will benefit the rural poor.</p> <p>(b) Funding will be available for priority projects identified in plans.</p> <p>(c) Projects will be effectively implemented.</p> <p>2. (a) Techniques applied in this project will be transferred to other ministries and departments.</p> <p>(b) Trained planning personnel will remain employed by GOB or department committees and will train additional planning personnel.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Rural Development Planning 511-0471

Life of Project:
From FY 78 to FY 81
Total U. S. Funding \$2,500,000
Date Prepared: 11/1/77

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: To improve the technical consistency and coordination of the planning system in the Departments of Pando, Beni, Tarija, Chuquisaca, and Potosí, and the Ministry of Planning and Coordination in order to increase the effectiveness of the rural development programs in these areas, including integration of rural and urban development.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. Technical capability of professional planning personnel in the MPC and the development committees in the five participating departments upgraded, as evidenced by: <ol style="list-style-type: none"> (a) An improved system of plan preparation and plan and project execution in place in these committees; (b) Adoption of improved planning methodology in these committees. 2. Sectoral operational plans for 1980 for participating departments based on uniform criteria. Development of national strategy for subsequent planning period 1981-1985. 3. Regularized information flow established between MPC and participating departments. 4. Improved use of internally- and externally-financed development programs in the Pando, Beni, Tarija, Chuquisaca and Potosí, brought about by prioritization of project proposals and selection of projects with highest economic and social returns. 5. Conscious strengthening of contributions of market towns, service centers and regional centers to departmental rural development programs. 	<ol style="list-style-type: none"> 1. Analysis of plans submitted by participating Ministries and Departments. 2. Observation of coordinating committees of MPC, committees, and/or private sector. 3. Analysis of development projects financed in the Pando, Beni, Tarija, Chuquisaca and Potosí. 4. Same as 3 above. 5. Department budgets contain specific projects for strengthening urban functions in rural development (.i.e. town based facilities and services responsive to campesino needs). 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. Middle-level and senior technicians receiving training will remain in planning capacities either in the Ministries or Department Committees. 2. Training materials developed and improved techniques taught by advisors will be used by planning technicians. 3. Coordinating committees will operate effectively after an initial starting-up period. 4. Same as 3 above 5. Departmental planning framework for integrated rural-urban development accepted by departmental committees and MPC.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Rural Development Planning 511-0471

Life of Project:
From FY 78 to FY 81
Total U.S. Funding \$2,500,000
Date Prepared: 11/1/77

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <ol style="list-style-type: none"> Improved project preparation and evaluation on the basis of cost/benefit analysis and determination of internal and social rates of return at committee levels. Improved sectoral operational plans in agriculture, health and education for the participating departments. Urban development programs contain more emphasis on services to agriculture and campesino needs. Middle-level and senior technicians in participating departmental development committees trained on-the-job. Short courses and seminars on sectoral and regional planning. Long-term training in development planning Training materials establishing uniform criteria for project identification and evaluation, and preparation of guidelines for operational plan preparation. Guidelines for integrated rural urban planning and development at departmental level. 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> Cost/benefit analysis and internal and social rates of return regularly used in participating committees by 1980 budget/planning cycle. Improved operational plans developed for 1980 and 1981 in agriculture, health and education for the participating departments. Potosí and Chuquisaca departmental development plan contains integrated rural-urban development element. At least 30 middle-level and senior technicians receive on-the-job training by the end of 1981. <ol style="list-style-type: none"> 5 3-4 week courses on project identification, evaluation, and preparation conducted by June 1981. Ministry and committee planners receive short-term training by 1981. One ISAP staff member trained and ready to train additional GOB personnel by September 1980. Manuals published by May 1981. Guidelines published by October 1980. 	<ol style="list-style-type: none"> USAID, MPC, and committee records. Reports from technical assistance team. Examination of plans. Examination of training records in participating units and contractors reports. As above Examination of manuals published. As above. 	<p>Assumptions for achieving outputs:</p> <ol style="list-style-type: none"> Sufficiently qualified advisors are available. Counterpart inputs are provided in a timely manner. ISAP staff member free for training outside of Bolivia.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 78 to FY 81
Total U.S. Funding \$2,500,000
Date Prepared: 11/1/77

Project Title & Number: Rural Development Planning 511-0471

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<u>Inputs:</u>	<u>Implementation Target (Type and Quantity)</u>		<u>Assumptions for providing inputs:</u>
<u>AID</u>			
1. Long-term technical assistance 3 Regional planners 2 Operations Management Specialist 1 Agriculture sector planner 1 Specialist in integrated rural-urban development. 2. Short-term technical assistance 3. Long-term training 4. Workshops and studies 5. Training materials, equipment and vehicles.	1. 21 work-years long-term technical assistance \$1,870,000 2. 3 work-years short-term technical assistance 252,000 3. 1 year long-term training 14,000 4. Workshops and studies 40,000 5. Training materials, equipment and vehicles 70,000 6. Inflation and contingencies 254,000 \$2,500,000	Mission, GOB and department committee records.	1. USG and counterpart funding will be available. 2. Counterpart personnel will be available.
<u>GOB</u>			
<u>MPC</u>			
1. Counterpart Personnel 2. Conferences, studies 3. Operating expenses, materials, and in country travel and per diem	1. 57 wm counterpart personnel \$ 143,500 2. Conferences and studies 250,000 3. Operating expenses, materials, in-country travel, per diem 87,500 \$ 481,000		
<u>Development Committees</u>			
1. Counterpart personnel 2. Studies 3. Operating Expenses and equipment	1. 195 wm counterpart personnel 567,500 2. Studies 30,500 3. Operating Expenses and equipment 21,000 \$ 619,000		

DRAFT
PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT
OF FUNDS

Name of Country: Bolivia
Name of Project: Rural Development Planning
Project Number: 511-0471

Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, and in furtherance of the Alliance for Progress, I hereby approve a grant in an amount not to exceed Two Million Two Hundred Fifty Thousand United States Dollars (\$2,250,000) (the "Grant") to the Republic of Bolivia ("Government of Bolivia") to assist in financing certain foreign exchange and local currency costs of goods and services required for a project (the "Project") which consists of long and short-term technical assistance in various aspects of development planning, project implementation and training for the participating development corporations and the Ministry of Planning and Coordination, including the provision of materials, office equipment and vehicles.

The Grant will be incrementally funded during the period FY 1978 through FY 1981 subject to satisfactory compliance with Congressional notification requirements and the availability of funds in accordance with A.I.D. allotment procedures.

Additionally, \$250,000 in A.I.D. funds for similar purposes has already been authorized outside of this Grant under a DS/UD regional grant project (Urban Functions in Rural Development). Such amount will be added to the Project in FY 1978 for a total life-of-Project funding of \$2,500,000.

Subject to these conditions, I approve obligation of the initial increment of the Grant in FY 1978 and subsequent increments thereafter. I also approve the inclusion of \$250,000 in FY 1978 for the Project, in DS/UD funds already authorized, in addition to the Grant, which will be obligated for the Project upon signing of the Project Agreement.

I hereby authorize the negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, subject to the following essential terms, covenants and major conditions together with such other terms and conditions as A.I.D. may deem appropriate:

1. Source and Origin of Goods and Services

Except as A.I.D. may otherwise agree in writing, goods and services financed by the Grant shall have their source and origin in countries included in A.I.D. Geographic Code 000 or Bolivia.

2. Conditions Precedent to Initial Disbursement

Except as A.I.D. may otherwise agree in writing, prior to any disbursement or to the issuance of any commitment documents pursuant to which disbursement will be made under the Project Agreement, the Government of Bolivia will furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) an operational plan for the Project which includes a detailed scope of work for the technical assistance team as well as a definition of the respective roles and responsibilities of the Regional Planning Division of the Ministry of Planning and Coordination, the departmental development corporations of Pando, Beni, Chuquisaca, Potosí and Tarija, and the personnel in these entities who will serve as counterparts to the technical assistance team;

(b) a financial plan which details over a three-year period the Government of Bolivia contribution to the Project and which indicates that funding is authorized for the Project; and

(c) a time-phased plan for the provision of required counterpart personnel.

3. Special Covenants

Except as A.I.D. may otherwise agree in writing, the Government of Bolivia will covenant that:

(a) adequate operating budgets will be provided to each departmental development corporation;

(b) the National Institute of Public Administration's (ISAP) budget will be adequate to cover increased training and material reproduction costs which result from the project;

(c) planning techniques and training materials developed will be used in the preparation of annual operation plans and in the identification, evaluation and design of projects which are consistent with these plans; and

(d) an annual joint GOB/USAID evaluation will be conducted based on an evaluation plan prepared by the MPC.

Assistant Administrator
for Latin America

Date

BOLIVIAN PLANNING EXPERIENCE

A. Past Planning Experience

Although Bolivia is among the poorest and least developed countries of Latin America, its planning experience covers nearly two decades and is longer than that of most other Latin American countries. Ever since the mid-fifties, successive governments have recognized that the development of the economy and raising living standards of the poorest segments of the population in the rural areas cannot be realized by the sporadic adoption of policies, programs, and projects, but requires a systematic, comprehensive, and technically sound approach in the form of planning.

Following the early development of a planning methodology by the UN Economic Commissions for Latin America (ECLA) in 1954, Bolivia was one of the first countries in the region to establish a planning board and to begin the preparation of its first long-term plan. The plan, prepared with the technical assistance of the OAS, ECLA, and IDB, suffered from a number of defects. It was primarily diagnostic and macro-economic in content; it lacked the identification of projects that could be financed by the international lending agencies and it was based on doubtful statistical data. There followed a rapid succession of governments in Bolivia throughout the sixties. As a result, the ten-year plan was abandoned while successive governments focussed essentially on short-term investment programs and the sporadic identification of projects. Political instability and frequent shifts in priorities militated against a more systematic planning effort, especially in regard to medium and long-term planning. In 1969 an effort was made to develop a medium-term "development strategy", but the attempt also failed because of technical deficiencies and governmental changes.

Despite these developments, however, Bolivia retained its Planning Board, gained additional experience in project preparation and investment programming, and increased the number of professionals trained in planning methods. At the same time, the framework of a regional planning system evolved in the form of departmental committees and corporations, operating generally under the Ministry of Public Works.

With the advent of the present government in 1971, which ushered in an unprecedented period of political stability, renewed impetus was given to planning at all levels, both medium and short-term. In 1974, the National Planning Council (CONEPLAN) and the Ministry of Planning and Coordination (MPC) were established as the supreme entities responsible for development planning and sectoral and regional plan coordination. The first five-year plan 1976-1980 became operative in 1976 and the first annual operational plan was put into effect in 1977. Since 1971, efforts also began to strengthen the planning capabilities of the sectoral ministries, especially health, education, agriculture,

transport, urban affairs and housing, mining, energy and petroleum, and commerce and industry. To round out further the institutional framework for planning, a decree law was passed by the Bolivian legislative in February 1978 which governs the structure, functions, and operations of the departmental planning entities and defining their relationship to CONEPLAN, the MPC and the sectoral planning entities in the individual ministries. To the extent that this legislation systematizes regional planning, it establishes parallel strengthening of the sectoral ministries so as to permit an appropriate integration of regional planning into sectoral and global planning at the national level (the law is discussed in detail below).

B. The Present Planning Structure and Process

1. Planning at the National Level

At the apex of the Bolivian Planning System stands the National Council of Economic Planning (CONEPLAN), which is an inter-ministerial committee, presided over by the Minister of Planning and Coordination. It is responsible for setting national planning policy, priorities, approving the plan and its component projects and programs, and monitoring its implementation. The Ministry of Planning and Coordination (MPC) is the technical arm of CONEPLAN. It operates through three main subdivisions, each headed by an Undersecretary: Planning, Coordination, and Legal and Administrative Affairs. The Undersecretary for Coordination serves as Secretary of CONEPLAN and the Undersecretary of Planning serves as its rapporteur. Thus, leadership in policy formulation and the provision of technical support lie in the hands of the Minister of Planning and Coordination and his staff. The undersecretariat for Legal and Administrative Affairs is located in the Presidential Palace, both in order to advise the President on any decisions that may be inconsistent with the plan and to assure that the decisions of CONEPLAN are translated promptly into official decrees. This link with the President's Office gives the Ministry of Planning and Coordination substantial leverage. It also provides for regular communication between the highest government authorities on initial and revised national goals and policies which must be reflected in the 5-Year Plan and annual operational plans if they are to be realistic tools in the national development effort.

CONEPLAN's titular members are the Ministers representing the so-called productive sectors: Agriculture, Industry, Mining and Hydrocarbons. Other Ministers may be invited to participate in the deliberations when matters concerning their sphere of competence are involved. Thus, in practice, participation in CONEPLAN is much wider than the number of titular members. The Minister of Finance is not a titular member of CONEPLAN. This formal exclusion is probably intended to

counteract what otherwise might constitute excessive influence by the fiscal-monetary authority in planning. In fact, however, the Minister of Finance does participate in CONEPLAN deliberations as an ex-officio member. Representatives of the Armed Forces Development Institute and sometimes of the Foreign Ministry also participate.

It is also worth noting that the Ministries encompassing the social sectors, notably health and education, as well as the private sector, are excluded from regular participation. This reflects the emphasis placed in the nation's Five-Year Plan on economic growth, based on the so-called productive sectors. This emphasis in the Five-Year Plan probably is caused in part not only by strategic decision, but also by the more sophisticated and timely planning ability of the productive sectors, especially of the Ministries of Mining and Hydrocarbons. The existence in the social sectors of trained and sophisticated planning personnel would certainly increase the de facto role of these agencies in CONEPLAN and improve the balance between the productive and social sectors in the national planning effort.

The absence of private sector participation in CONEPLAN is in line with the policy of giving the public sector a predominant role in developing policy, which dates from the time of the nationalization of the large tin mines more than two decades ago. A representative of the Chamber of Industries does participate on the MPC Project Committee.

The Undersecretariat for Planning is the strongest subdivision of the MPC. It operates through four departments covering Macroeconomic Planning, Sectorial Planning, Project Analysis, and Regional Programming. These four subdivisions prepare both the national medium-term plan and the annual operating plans.

The Project Analysis Department studies the individual projects submitted by the Ministries and the regional planning entities for their priority and compatibility with the national plan.

The Sectoral Planning Department has the function of reviewing and aggregating the sectoral plans prepared by the various Ministries. Each Ministry is charged with the preparation of its sectoral plan and operates through its own planning unit, created for that purpose under the new planning system.

The Regional Programming Department, established more recently, has the responsibility of reviewing the regional development plans, as prepared by the regional planning bodies which function in each of the nine political subdivisions of the country, in order to make them compatible and to incorporate them into the National Plan. At present,

the central planning authority assigns higher priority to the integration and compatibilization of regional plans with the national plan than to the aggregation of sectoral plans.

Because of the importance attached to project generation within the national planning effort, a Projects Committee functions under the aegis of the Undersecretariat for Planning. That Committee is composed of representatives of the decentralized public entities with responsibility for project generation and execution in the various sectors of the economy, for external financing and for pre-investment and feasibility studies, as well as of the President of the Chamber of Industries. That Committee is served by the Project Analysis Department of the Undersecretariat of Planning and reviews and approves all projects contained in the plan.

The Undersecretariat for Coordination, the second major subdivision of the MPC, operates through three departments: Management Control, Public Administration, and International Cooperation. The first of these monitors on a continuing basis, the implementation of programs and projects by means of periodic progress reports filed with that Department by the appropriate Ministries and the regional planning bodies, as well as by visit of the Department's technical staff to the site of projects. In this manner, delays or bottlenecks in project execution and their causes are identified, any deviations in project implementation from original specifications or projections are determined, and measures are adopted to ensure proper plan execution.

The Public Administration Department is charged with the task of developing the internal organization of the MPC and the necessary procedures for achieving greatest efficiency in operations.

The Department of International Corporation coordinates all external technical assistance and training needs and requests emanating from the various ministries and the regional planning entities, the so-called Committees and Corporations.

There are three decentralized institutions which provide additional services to the MPC: The National Preinvestment Institute (INALPRE), the Advanced Institute for Public Administration (ISAP) and the National Statistical Institute (INE). The first of these undertakes prefeasibility studies at the request of the MPC on the Ministries. The second provides training in public administration to government officials, which may include the field of planning. The third compiles national and regional statistical data and undertakes the national census.

2. Planning at the Sectoral Level

Planning at the sectoral level takes place in the planning departments established in the Ministries. These departments prepare

the sectoral plans based on projects identified and prepared by the individual Ministries themselves or by the semi-autonomous entities linked to them, or which may be submitted to them by the regional planning entities. One of the major defects of the present planning system is that sectoral ministries and regional committees do not consult to any significant extent in the selection of projects and the development of their respective plans - this situation partly results from the Ministries weak planning capability and further undermines the sectoral planning effort.

The brief review of sectoral planning which follows focuses on the Ministries of Agriculture, Education and Health and is based on interviews with persons responsible for planning in these agencies, a review of the recent 5-Year Plan and operational plans developed by the Ministries, and sectoral assessments prepared by the Mission. Although the sectoral assessments date from 1974 and 1975, review of recent planning submissions by the Ministry indicates the problems identified previously are still existant. Some of the issues relating to the incorporation of ministerial plans into the national planning and financing system are discussed in subsequent sections of this report.

The 1974 agricultural sector assessment by the Mission cited an inadequate data base and the lack of personnel trained in economic planning techniques as crucial problems in planning. The planning system in the agricultural sector deals almost exclusively with agricultural production and does not list projects in rural development and related areas falling within the scope of the Ministry. The Five-Year Plan in the field of agriculture sets specific production targets, provides a strategy and specific methodology to attain the targets, specifies the public investments which are to be realized annually, and quantifies objectives for the public sector contribution. While these quantifications do not carry a qualitative dimension (they list merely a given number of experiments or field demonstrations to be completed), they do provide the basis for the implementation and subsequent management control of the agricultural plan. Furthermore, a more analytical evaluation of the efficacy of the chosen strategies and work objectives will be possible through a subsequent determination of whether production goals have been attained. The 1977 operational plan constitutes basically an elaboration of the first year in the Five-Year Plan.

The Five-Year Plan gives a orief summary of the main activities in agriculture by each of the departmental committees, but does not integrate these committee efforts with the projects developed within the Ministry of Agriculture. In the MPC summary of the national Five-Year Plan, more than 60 agricultural projects proposed by the departmental committees are simply added to the list of projects developed by the Ministry of Agriculture.

According to the assessment of the Bolivian health sector prepared by the Mission in 1975, planning has not traditionally been an important factor in determining health programs. Rather, project choices have been determined the process in which the central government responds to locally initiated appeals for facilities and services. A major handicap in the development of improved health planning is the absence of a reliable information system on either health statistics of the population or on services performed by the Ministry of Health.

The national Five-Year Plan for health suffers from a number of weaknesses and problems. The projects proposed do not consistently relate to the stated strategy and to the priority given to the eradication of communicable diseases. This may be because the Ministry of Health has only partial responsibility for the planning of potable water and sanitary sewer systems. The Ministry of Urban Affairs and Housing and the departmental committees are also involved. Most of the ongoing projects of the Ministry of Health listed in the Five-Year Plan are for hospitals. Various kinds of rural treatment centers make up the major part of projects under study.

According to the assessment of the education sector prepared by the USAID Mission in 1974, Bolivian educational planning has been hampered by a number of factors. These include the following: the existence of dual urban and rural systems, lack of a reliable data collection system and information base, a highly centralized and personalized administration (with resultant changes of plans as governments and administrators changed); and an unreliable program planning and budgeting system.

The current project list is not very specific and its correspondence to the 5-Year educational strategy is not readily apparent. Departmental committees or corporations are responsible for implementation of projects which receive only a minuscule proportion of resources allocated to education.

3. Planning at the Regional Level

a. The Departmental Committees within the Current National Planning System.

Regional planning in Bolivia is not based on the concept of planning for definable economic regions as such, but rather on planning for each of the political departments of the country. There are nine such departments, many of which cover more than one of the three main geographic regions: the mountains and plateau called the Altiplano, the higher and lower valleys, and the lowland plains.

Before 1975, the so-called public works committees, or departmental development committees, were established in each department for the purpose of "promoting the development of individual departments through regional planning". Despite their different designations, these bodies perform similar functions of planning investment projects for their regions, although their size, method of operation, technical competence and influence within the national planning process differ markedly.

These departmental planning entities antecede the establishment of the present planning system and, therefore, had to be incorporated into it. Nominally, most of these committees still report to the Ministry of Housing and Urban Affairs, under whose auspices they were originally created. However, they are now in fact, subordinated to the MPC and relate to the Division of Regional Planning. Under the legislation establishing the present planning system, the MPC has final responsibility for the preparation of the national plan and thus for the submissions from the regions, which must be approved by CONEPLAN.

The planning activity and the investment of the development committees are financed mainly from petroleum and mining royalties, and from allocations from the national budget in the case of regions without royalty income. Some of the committees receive national allocations determined as a fixed percentage of the value of imports. Local sources of revenue other than royalties are generally very limited.

While the investment resources at the disposal of the development committees are substantial, \$81 million in the National Operating Plan for 1977, these funds constitute only 11 percent of all the national investment directed to the regions (Table 1). Of these departmental committee funds, over half accrue to Santa Cruz with its extensive petroleum development. At present, the other investments in the regions are determined according to the plans submitted by the sectoral ministries and national corporations and approved by CONEPLAN. Furthermore, almost all the annual operating funds for the various government services and programs are channelled through the ministries and committees. Thus to plan realistically for the development in its region, a departmental committee will have to consider not only its directly controlled funds, but also to participate fully in the planning being carried out at the national and sectoral levels.

Table 1
1977 Operating Plan, Approved Investment Plan by Department

<u>Department</u>	<u>All Public Investment</u>		<u>Regional Corporation Investment</u>		
	<u>U.S.\$ Millions</u>	<u>Percent of Total</u>	<u>U.S. Millions</u>	<u>Percent of Total</u>	<u>Percent of All public investment</u>
Pando	8.8	1.2	2.8	3.4	31.8
Beni	32.3	4.6	1.8	2.2	5.6
Potosí	60.6	8.6	5.8	7.1	9.5
Chuquisaca	32.2	4.6	5.4	6.7	16.7
Tarija	32.1	4.6	4.6	5.7	14.3
La Paz	146.3	20.9	4.6	5.7	3.1
Cochabamba	141.6	20.2	4.1	5.1	2.9
Oruro	47.0	6.7	5.1	6.3	10.9
Santa Cruz	200.5	28.6	46.9	57.8	23.4
Total Bolivia	701.5	100.0	81.1	100.0	11.6

Source: Presidencia de la República, Ministerio de Planeamiento y Coordinación, Plan Operativo 1977, Vol. 2 Table No.19, p.302.

Even though specific funds are designated for each department, all projects proposed by the departmental committees must nevertheless be submitted to the Ministry of Planning and approved by CONEPLAN, as indicated above. Currently, the submissions by the committees to the national annual operating plan consist mainly of a listing and summary description of projects (both feasibility studies and investment projects) which the committees propose to fund in the coming year. These submissions are received and reviewed by the Division of Regional Planning in the MPC, and subsequently by the Project Committee. The reviewing agents may turn down projects which de facto appear illconceived and look for instances of clear duplication among regions. For example, Tarija has proposed the building of a cement plant whereas neighboring Chuquisaca has recently completed such a plant. Also, the regional submissions sometimes have a total cost greater than the funds anticipated to be available for that region or than the government is willing to finance out of the national treasury. In such cases, some projects are cut from the regional submissions. In general, however, the project lists submitted by the departments are approved almost intact, especially in the case of the departmental corporations which propose project budgets within the limits of funds available from their own petroleum and mineral royalties.

b. The "Law of Departmental Development Committees"

The "Law of Departmental Development Committees" was approved in February, 1978. The law does not present a wholly new structure, process, and set of relationships for the regional corporations and their planning activity. Rather, it builds on the structure and process established in the national planning decree of 1974 and subsequent amendments. It also builds on the historical structures and responsibilities of the regional corporations, but now provides a consistent and officially recognized status for all these entities.

This law strengthens the MPC as the responsible agency for the direction of the development planning by the departmental committees and for coordinating the departmental and sectoral planning within the context of the national development plan and policies.

The law formally establishes departmental committees as decentralized and administratively autonomous public entities responsible for all aspects of departmental planning: evaluation of resources, formulation of regional objectives, strategies and policies; selection and development of projects; and conduct of feasibility studies. The departmental plans are to be coordinated with the sectoral plans of the ministries and decentralized entities and are to be submitted to the MPC for consideration and inclusion in the national plan. The law also assigns the departmental committees

a role in the execution of development projects, along with the national and ministerial institutions, again under the supervision of the MPC. The departmental committees are also to collect statistical information and transfer it to the national statistical agencies.

In matters of regional development, the departmental committee is given primacy over the prefect of the departmental administration and over all municipalities in the department.

The committees are to have the necessary powers for carrying out these responsibilities, including the following: control of their own income for operations, planning and investment; the right to create or participate in business and public service entities; and authorization to contract for internal or external credit, channeled through the legally established institutions of the national Government.

Again following current practice closely, the law confirms the directorate as the responsible legal entity for all the work of the committees. The directorate is to be made up of the president, appointed by the President of the country, the prefect of the department, the mayor of the departmental capital, and representatives of the armed forces, the MPC, the local university, the Departmental Federation of Professionals, the Federation of Private Businesses, the departmental labor union, the Federation of Campesinos, and other major civic organizations.

The President of the committee is appointed for a term of two years and can be reappointed. He also serves as director of the staff. It is suggested that the staff of the committees be organized into 5 sections:

Planning,
Project Development,
Implementation of Projects and Programs,
Operation of businesses, including public utilities,
Administration and Program Financing.

c. Common Planning Characteristics at the Regional Level

The five departmental committees selected for direct technical assistance in this project share a number of common characteristics in their development planning efforts, despite the substantial differences discussed below.

All the committees have increased their professional staff substantially in recent years. All have at least one person officially assigned to planning functions and all have at least one

trained economist, although this economist is not always assigned to planning. To date, the emphasis in staff assignments has been directed to project development. Even staff members formally assigned to planning now concentrate more on developing the list of projects to be submitted each year to the MPC for review, approval, and inclusion in the national operating plan. All departmental committee leaders wish to upgrade the planning capability of their institutions. The committees have had staff members attend courses in project development and planning and are interested in an expansion of such opportunities.

All five committees have diagnostic studies and collections of baseline data prepared with outside technical assistance. While these basic data have helped shape the statement of regional needs, objectives, and strategies, the main influence of the diagnostic work has been to indicate priority sectors for project development and investment. Thus the planning effort gives some guidance in project selection, but has not really produced a framework for integrating projects and developing substantial linkages among them. Neither has there been any integration of the projects developed by the committee with those planned for the same region by the ministries. Both the lack of an integrated plan as well as institutional barriers to communication in planning have contributed to this situation. Finally, with the possible exception of Tarija, none of the five committees have yet assigned sufficient technical staff to planning to provide for ongoing data development and diagnosis and for the measurement of results against previously determined baseline information. Thus, careful consideration will be given to establishing personnel levels required in the committees in order to provide the institutional capability needed to implement the project. In some corporations this will require that additional professionals be hired.

C. Planning in the Regional Corporations of the Project ^{1/}

1. Pando

The Regional Council for the Development of the Northeast (CORDENO) which covers the Department of Pando is situated in the Amazon basin in northeastern Bolivia. Its president is also the departmental prefect, a naval officer. The staff consists of about

^{1/} The information in this section is based on field visit to all five regions, discussions with the staff members of the committees, review of documentation, and discussions with personnel of the Regional Planning Division of the MPC. The visits to Pando and Beni were made in early November 1976, but there do not appear to have been substantial changes in the planning work of these committees, based on a review of their recent planning submissions to the MPC. Potosí, Chuquisaca and Tarija, were visited in October 1977.

- c. Links between urban centers in the department and between these centers and external centers (e.g. in other departments) will be identified. This analysis includes physical linkages (roads, rails and ecological interactions), economic linkages (capital and goods flows, marketing, production interdependencies, etc.), service delivery linkages (transportation, health, education and training, credit and financial networks, telecommunication, power, and professional or technical services), political or administrative linkages (budget flows, interjurisdictional transactions, etc.) and social linkages (visiting patterns, kinships patterns, etc.). These linkages will be reduced to a system of overlays to create a structural overview of the department (note: much of this information already is easily accessible in Potosí and Chuquisaca through existing reports and studies).
- d. To complete this picture, the area of influence of (area served by) each urban center will be determined (e.g., by extent of market reach or other locally meaningful measures) and reduced to an overlay.
- e. Agricultural activity potential and problems of the Department will be assessed (much of this information should be available from existing sources).
- f. Using the foregoing (a-e) as baseline data, an analysis of urban-rural linkages and urban functions critical to the support of rural and agricultural development will be performed. This may be done by consulting existing models and by interviewing and consulting with officials, technicians, extension workers and farmers in the Department (note: the area considered could, for functional or other reasons, encompass less than the entire department).
- g. Through steps a-f weaknesses and gaps existing in urban services to rural development will be identified, including also constraints to farmer accessibility to these services.
- h. These deficiencies can be translated into projects and programs which are given a rough screening for economic feasibility.
- i. The resulting projects are to be put into the context of a planning framework for the department and integrated with sectoral and other plans for the department. This planning framework is the basis for estimating the relative priority and desired timing for each project or category of project. The product of this step will be an integrated rural-urban development plan for the department.

3. Potosí

The Comité Departamental de Desarrollo y Obras Públicas de Potosí (CODEPO) is the committee serving the Department of Potosí, a region of 659,000 people located predominantly in the southern Altiplano and high valleys.

The members of the directorate come only from the city of Potosí itself (population 77,000) but this will change under the new Law of Regional Development Corporations. The staff of 112 persons includes 15-20 engineers and only one fully trained economist. Earlier in 1977 ISAP offered a course in Potosí in the formulation and evaluation of projects in which 6 members of the staff participated.

The engineering staff has the main responsibility for project development. This reflects the historical emphasis of CODEPO on the provision of urban public services of water and electricity in the city of Potosí. CODEPO is now trying to become a genuine regional development entity, which will require an extension of planning to the provinces of the Department as well as greater sectoral planning. The committee faces a more complex task than most other regions in that it must plan for the mining sector, including such problems as stream pollution, for the economic and social assistance of rural and agricultural population using primitive farming techniques, as well as for development of the still very inadequate economic and social infrastructure and the expansion of public services outside the departmental capital.

The investment budget for 1977 is about \$5.4 million, secured from mining royalties. Of this amount 12 percent is for agriculture and 37 percent for basic sanitation. The remainder is divided among other sectors. Investment in mining falls primarily within the authority of the Bolivian Mining Corporation (COMIBOL) and totalled \$22 million during 1977.

4. Chuquisaca

The Comité de Desarrollo y Obras Públicas de Chuquisaca (CODESA) is the committee serving Chuquisaca, a region of 375,000 inhabitants located mainly in the southeastern valleys.

The Directorate of 12 members is mainly representative of the departmental capital (population 62,000). The staff of 150 persons includes 54 professional. Three professionals are assigned to the planning division which is presently without a head.

CODESA has substantially increased its emphasis on the rural sector and among its most important projects are reforestation and a large program for pig production and pork marketing program funded in part by the Inter-American Development Bank.

The investment budget for 1977 is \$5.4 million, funded from petroleum royalties. Of this amount, over 40 percent is targeted for agricultural projects, the highest proportion for any committee.

5. Tarija

The Comité de Obras Públicas y Desarrollo de Tarija (CODETAR) is the committee serving Tarija, a department of 189,000 population in the southeastern valleys and the Chaco plains. The capital is Tarija with 39,000 inhabitants.

A Directorate of 10 members considers over-all policy, but not of the decision-making on planning and project selection is centered in committee of 5 technicians. The staff of 150 persons includes 70 professionals. Ten professionals work in main divisions dealing with regional and sectoral planning, preparation and evaluation of projects, and investment control. In all, this is the most complete planning staff of any of the corporations included in the project. A course on the preparation and evaluation of projects was conducted earlier in 1977 in Tarija by ISAP for 14 members of the CODETAR staff.

CODETAR is also the only one of the five regions to present its 1977 annual operational plan together with an updating of this earlier diagnosis and of objectives and priorities. Nevertheless the CODETAR staff identify as a major planning need the more rational integration of project development into a comprehensive development plan.

The investment budget for 1977 is \$4.6 millions, secured from petroleum revenues. Of this amount, approximately one third is for agricultural projects.

D. The GOB Five-Year Development Plan (1976-1980) and the 1977 Operational Plan

In June 1976, the GOB issued its 1976-1980 Development Plan. The Plan represents the Government's first attempt in more than a decade to provide specific direction for the generation and investment of resources and to establish medium-term development targets for all sectors. The Plan is essentially project oriented, stressing GOB initiatives in the productive sectors (industry, mining, hydrocarbons, commercial agriculture) as the "engines of growth" that will fuel the medium term economic development of Bolivia and thereby enable the GOB to make investment in the social sectors (health, education, small farm agriculture). The Plan identifies as an important objective "spatial development", a concept favoring balanced development from a geographic viewpoint. This objective is to be accomplished through an investment pattern which redistributes national resources on a more equitable basis, i.e. investments are being increased in areas which heretofore have been relatively overlooked.

An important element in the Plan is that the GOB, for the first time, is giving serious attention (as expressed in investment terms) to projects directed at departmental level development to be initiated by the development corporations and the central ministries. This is evidenced by the fact that the staff and budget of almost all the departmental development committees are planned to be increased substantially over the next five years. Additionally, funds made available to national level ministries oriented toward departmental development projects will increase markedly.

The Five-Year Plan is a medium-term planning document which is implemented on the basis of an annual operational plan that details the projects and programs to be undertaken during a single calendar year, including their cost and sources of financing. The first operational plan for FY 1977 was completed at the end of 1976 and became effective, as scheduled, in January 1977. This was the first exercise under the new planning structure designed to reflect the priorities and to advance toward the sectoral targets contained in the Five-Year Plan. The 1977 operational plan was prepared on the basis of regional operational plans prepared by the departmental committees and the sectoral plans elaborated by the respective ministries. These regional and sectoral plans were prepared with the help of and on the basis of guidelines issued by the MPC detailing 1977 national priorities and methodologies to be employed. Both the sectoral and regional operational plans and the proposed projects were subjected to a review by the MPC, by the Interministerial Projects Committee (chaired by the Undersecretary of Planning) and by CONEPLAN.

The preparation of the 1977 Operational Plan was a highly commendable effort, but it brought out many of the weaknesses of the present planning process, analyzed more fully below. An examination of the plan and discussions with MPC planning officials suggests that the selection of projects was not based on uniform criteria or reasonably rigorous standards of cost-benefit. The list of projects, while responding, in general, to national priorities, was more often than not the result of initiatives at the sectoral, regional, or national taken without mutual consultations prior to approval by CONEPLAN. Thus the selection of projects frequently has been the result of negotiation or subjective decision, designed to fit into a predetermined national and regional investment budget. On the other hand, it is only fair to say that GOB through the MPC, the sectoral ministries, and the departmental committees have made a highly commendable start in elaborating a viable operational plan. For example, for the first time sectoral projects are listed on a regional basis and comparisons are possible among the projects prepared by the sectors and by the regional corporations.

In reviewing the GOB planning process as it is structured to implement the national Five-Year Plan, there are four positive features

which give it a solid foundation for future improvement. First, planning decision making is centralized so that program coordination and complementarity can be facilitated. Second, the planning process recognizes the need for regional inputs into the national plan. Thus, project generation at the local level helps to assure that certain local needs are met and that projects are designed to meet local conditions. Third, the planning approach is project oriented and specific projects can therefore be designed to meet goals and targets established in the Five-Year Plan. Finally, the GOB is strongly committed to effective national planning as evidenced by the Five-Year Plan and the legal and operational system designed to implement it.

Among the projects selected by the committees, an increasing proportion is directed to agricultural and agro-industrial development (with the exception of Pando).

Although the positive features of the planning process as described above potentially make the Bolivian planning system implementable, there are serious deficiencies within the planning structure which, if not corrected, could adversely affect the government's ability to effectively and rationally allocate project resources. In turn, this would diminish the likelihood of reaching those goals and priorities established in the national Five-Year Plan. First, the methodological basis on which to base planning decisions is weak. Except for the MPC, methodologies for project identification, selection, and evaluation are virtually non-existent. Techniques for determining economic and social rates of return on projects and cost-benefit, are not applied on any systematic basis at either the departmental, ministerial or MPC level. The process of setting priorities at the departmental and ministerial levels often is based more on political and intuitive considerations than on objective criteria. In both the regions and the ministries, projects in the operational plans are listed on the basis of priorities set in an often arbitrary manner. When project profiles reach the MPC, there is no objective basis or which to select from among projects -- either these which yield the highest economic or social return or those which follow some logical sequence of project implementation -- because priorities based on sound analyses have not been established by the ministerial and departmental levels of planning. Because decisions with regard to priorities are made arbitrarily, decisions based on objective criteria cannot guide the planning/evaluation process at the national level.

Second, there is inadequate coordination between regionally and nationally directed projects. The ministerial planning offices and the departmental planning divisions generally work independently of each other in drawing up projects in the context of a national plan. Thus, although all programs directed at the national level involve one or more departments, the departmental planning offices typically do not jointly discuss priorities, the logical sequence of project

implementation, or the coordination of ongoing and planned programs. The weak planning capability of the sectoral ministries, moreover, generally does not enable them to play the coordinating or directing role they should in sectoral planning and sector project coordination. As resources to the departmental committees increase, the need to address this problem becomes essential.

Finally, there exists an acute shortage of adequately trained technical personnel, not only in the MPC but even more importantly in the planning units or the ministries, especially agriculture, education and health, and in the departmental committees. The shortage of trained personnel, partly due to low salaries, is a major constraint to improving the methodological basis of planning and coordination. The shortage is most evident among economists specialized in national macroeconomic and in regional planning, and in the agricultural, industrial, health and educational sectors. At present, few training programs have been initiated within the planning structure to develop qualified middle-level and senior technical personnel on a systematic basis.

OTHER INTERNATIONAL ASSISTANCE
IN PLANNING

The proposed project has been designed in close coordination with the MPC and in view of the identification by the MPC of gaps in the international technical assistance being received in various aspects of planning. In the preparation of the project, discussions were held with representatives of the other organizations providing planning-related assistance to the GOB or to regions. These discussions not only served to provide necessary information on past efforts and problems and on future plans of these organizations, but also established or reestablished contacts which will be useful to the USAID Mission in the subsequent operation of the program.

It is the conclusion of the technical consultants involved in the preparation of this project that the proposed USAID program will not duplicate these other efforts. This project is directed rather uniquely to improving the integrity and cohesion of the Bolivian national planning system, in relation to its many contributing parts. The regional component of the project is to serve corporations not otherwise included in programs of international organizations in planning. Nevertheless the potential problems for the MPC in receiving technical assistance in planning from so many different sources should neither be ignored nor minimized in the preparation and operation of the proposed USAID project. Therefore, a brief listing of these other efforts and a clear specification of the USAID role in relation to them is important for an understanding of the role of the proposed project. The other organizations providing or considering technical assistance to the GOB in some aspect in planning are the UNDP Office of Technical Assistance, CEPAL-ILPES, UNICEF, OAS, BID, and the Government of Germany.

The United Nations Development Program Office of Technical Assistance (UNDP-OTA) has provided assistance in planning for many years through the Programa de Desarrollo Regional Boliviano (PRODERBO). At the time of the development of the 5-year plan, PRODERBO assisted a number of regional committees in the preparation of their diagnostic studies and the setting of basic developmental strategies. At present, however, PRODERBO, has direct regional involvement only in the departments of La Paz and Oruro. Currently, PRODERBO is assisting the MPC with technician planners in a number of fields, including roads, agriculture, urban planning, industry, and physical planning for infrastructure. The chief of the team is an economist with a regional planning background. It is understood, however, that he is working on regional issues in national planning, not on the regional planning per se within the national planning framework.

The Comisión Económica para América Latina (CECLA), the UN Agency for economic research and training in Latin America, has assisted in Bolivian planning through the provision of training courses, both at the Latin American Institute of Planning and Economic Studies (ILPES) in Santiago and also within Bolivia. The annual courses at the Santiago Center include a 6-month presentation in regional planning which has had some Bolivian graduates. Also, two ILPES courses of 4 1/2 months duration in industrial planning and in agricultural planning are being considered for La Paz in 1978.

The work of the United Nations Children's Fund (UNICEF) in Bolivia is concentrated in the operation of rural projects integrating health and education services in Chuquisaca and Tarija, with Potosí to be added in 1978. While this project is not in planning per se, the project preparation did require the coordination of responsibilities among the Ministries of Health and Education and the respective regional corporations. The UNICEF projects relate directly to the social development divisions of the participating corporations. The Ministry of Agriculture is not included in the project and the economic elements of the project are very slight, despite the project designation of "integrated rural development". The Organization of American States (OAS) is presently considering assisting in short-term training courses in planning for Cochabamba.

The Inter-American Development Bank (IDB) involvement in the Chapare Region of Cochabamba and in Tarija is directed toward specific technical problems in project development, especially in irrigation and related agriculture.

In April 1978, the German Government will complete 7 years of planning assistance to the regional corporation of Santa Cruz. This intensive technical assistance has included the provision of a technical team headed by an economist regional planner, and including also an agronomist and a cooperative specialist. Short-term specialists in a wide variety of subjects were brought in as required. A similar project is now under discussion with the regional corporation of Cochabamba. The German team in Cochabamba would be headed by an economist specializing in industrial development and would also include an agronomist, a physical planner, and a water-resources specialist. The German program has certain similarities to the USAID effort planned for 5 other regions and the German Technical Officer has offered to share the current evaluation of the 7 years of planning assistance in Santa Cruz. Therefore these projects constitute a promising future contact for the proposed USAID effort. However, it should be noted that the German regional assistance does not include the attempt to build linkages to the national and sectoral planning work.

INTEGRATED RURAL-URBAN DEVELOPMENT

The main body of the Project Paper already has described the integrated rural-urban development activity of the Rural Development Planning Project. This appendix expands upon those descriptions by: (1) setting out a definitional framework for the integrated rural-urban development concept; (2) outlining a scope of work for this activity; and (3) discussing in some detail the linkages of this activity with similar and related efforts in Africa and Asia.

The scope of work for the activity deals essentially with the tasks to be undertaken by the Regional Planner to be stationed at Potosí and his/her professional counterpart at Potosí and Chuquisaca. Their principal task will be to develop and apply the integrated rural urban development approach intensively and directly with the Departmental Development and Public Works Committees of Potosí and Chuquisaca, and indirectly with the Committees of the other Departments participating in the Rural Development Planning Project.

Definitions. Integrated rural-urban development is accomplished through the identification and improvement of urban functions in rural development. It is necessary, therefore, to set out some definitions of urban functions in rural development as common reference points. The following definitions will be used at the outset of the project, although they may be refined or augmented during its course:

a. The urban center per se is an urban function in rural development. Its location and access to it are important to the campesino and to other rural workers.

b. Campesino access to the towns and urban centers depends upon communications systems, roads, trails and available modes of transport. These elements will be regarded as urban functions in rural development.

c. Finally, the services and activities based in urban centers and which cater or respond to the needs of campesino and other rural development workers are urban functions in rural development. These services and activities include:

- (1) Marketing storage and refrigeration facilities;
- (2) Agricultural processing activities (i.e., milling, break of bulk and packaging);
- (3) Agricultural credit;
- (4) Merchandising of agricultural inputs (seeds, tools, fertilizers, pesticides);
- (5) Sources of technical information and advice;
- (6) Health, education and administrative services; and
- (7) Entertainment.

Obviously all of these functions cannot be available and complete in every urban center. This would not be physically practical or economically feasible. However, a key task of the project will be to identify those situations within participating departments in which the addition or improvement of one or more of these urban functions is desirable from the standpoint of rural development and is, at the same time, economically feasible. It is in this way that a number of fundable projects will be identified as one of the important products of this activity.

The Staff at Potosí and Chuquisaca: It is anticipated that the two Regional Planners stationed in Potosí and Chuquisaca will work together as a team. The planner working with the Committee in Potosí will be responsible primarily for development of the integrated rural-urban development element of the project although he will be responsible also for the general rural and regional planning concerns of the project in Potosí.

He will work directly with the Potosí and Chuquisaca Regional Corporations on the integrated rural-urban development analyses, dividing time between the two Departments as required (although it is assumed that the bulk of his time will be concentrated in Potosí). The regional planner stationed in Sucre will devote some time to assisting with integrated rural-urban development activities in Chuquisaca and also, as appropriate, assist with overall rural and regional development activities in Potosí. This team approach is especially suitable to these two departments given their contiguity interdependencies and the relative ease of access between Potosí and Sucre (approximately a four hour drive).

The Regional Planner at Potosí should have a strong background in urban and regional analysis, planning and development as well as a good grasp of the integrated rural-urban development concept. In addition, this person should have experience in directing field studies and in imparting ideas, concepts and skills to others.

Counterpart staff in the Potosí and Chuquisaca Committees for the integrated rural-urban development activities, at a minimum, should consist of one regional planner or economist and one supporting technical person. These personnel will be trained on-the-job in integrated rural-urban development techniques and would be expected to continue that function in their respective Departments after phaseout of the USAID project. The predominant criterion for selection of these counterpart personnel is that they have the desire and capacity to absorb the training in what is a relatively new area within rural and regional development planning.

It is anticipated that in addition to the two counterparts in each department, the integrated rural-urban development activities

will have the general back-up support of the Committee staffs, as appropriate. This support is assumed also for the overall rural and regional development planning activities of the project.

The initial task of the Regional Planner at Potosí and his counterparts in Potosí and Chuquisaca will be to prepare a workplan covering the integrated rural-urban development activity.

Once this plan is approved by the Ministry of Planning and Coordination (MPC) and the USAID they will proceed with its implementation.

Description of Project Tasks: The preparation of a definitive workplan will include:

- a. Identification of existing data sources and studies;
- b. Specification of analyses required;
- c. Specification of minimal data needs to complete the analyses;
- d. Identification of required new studies;
- e. Identification of methodologies and technical training required for their application;
- f. Drafting of a full scope of work for project implementation; and
- g. Review and approval of work plan by the Ministry of Planning and Coordination and USAID.

An outline of the analytical steps to be taken is set out below. These steps can be refined based upon the findings of the field teams at the outset of this activity and as it progresses.

- a. Centers in each Department will be classified by locally meaningful functional definitions, such as hamlets, villages, market towns, service centers, regional centers, etc. This typology will be based upon function rather than size.
- b. An inventory to be taken in each of the urban centers, exclusive of villages and hamlets in order to determine the nature and extent of the services and facilities it provides.

- c. Links between urban centers in the department and between these centers and external centers (e.g. in other departments) will be identified. This analysis includes physical linkages (roads, rails and ecological interactions), economic linkages (capital and goods flows, marketing, production interdependencies, etc.), service delivery linkages (transportation, health, education and training, credit and financial networks, telecommunication, power, and professional or technical services), political or administrative linkages (budget flows, interjurisdictional transactions, etc.) and social linkages (visiting patterns, kinships patterns, etc.). These linkages will be reduced to a system of overlays to create a structural overview of the department (note: much of this information already is easily accessible in Potosí and Chuquisaca through existing reports and studies).
- d. To complete this picture, the area of influence of (area served by) each urban center will be determined (e.g., by extent of market reach or other locally meaningful measures) and reduced to an overlay.
- e. Agricultural activity potential and problems of the Department will be assessed (much of this information should be available from existing sources).
- f. Using the foregoing (a-e) as baseline data, an analysis of urban-rural linkages and urban functions critical to the support of rural and agricultural development will be performed. This may be done by consulting existing models and by interviewing and consulting with officials, technicians, extension workers and farmers in the Department (note: the area considered could, for functional or other reasons, encompass less than the entire department).
- g. Through steps a-f weaknesses and gaps existing in urban services to rural development will be identified, including also constraints to farmer accessibility to these services.
- h. These deficiencies can be translated into projects and programs which are given a rough screening for economic feasibility.
- i. The resulting projects are to be put into the context of a planning framework for the department and integrated with sectoral and other plans for the department. This planning framework is the basis for estimating the relative priority and desired timing for each project or category of project. The product of this step will be an integrated rural-urban development plan for the department.

- j. An evaluation system will be developed for project monitoring and to aid the implementation process.

Through the two year implementation phase of this activity the regional planner stationed at Potosí will furnish USAID with quarterly progress reports in English indicating progress and any problems or bottlenecks that might be developing. He/she also will furnish USAID with a final report to include: (1) a summary of the Potosí and Chuquisaca integrated rural-urban development plans; (2) a description of the framework, approaches and methodologies that constituted the analytical and planning processes and the evaluation methodology; and (3) an elaboration on the applicability of the specific study design and development plan to other departments and to other countries.

The quarterly progress reports and final report will be provided to the Ministry of Planning and Coordination and the Departmental Committees in Spanish.

The methodologies and approaches to integrated rural-urban development adopted and applied in Potosí and Chuquisaca will be shared with other departments. For example, throughout the implementation of the above tasks by the rural-urban integration teams in Potosí and Chuquisaca, workshops will be held in La Paz and several other departments, as appropriate, for the benefit of regional and rural planning groups in other departments participating in the Rural Development Planning Project. In addition the Regional Planner and other members of the Potosí and Chuquisaca integrated rural-urban development teams will, on a limited basis, provide advisory services to other participating departments through the MPC. The seminars and consulting need not necessarily be limited to participating departments if the MPC determines that other departments heavily involved in rural or regional development planning would benefit from the exposure. This is consistent with the project objective to build replicability into the Rural Development Planning project.

Relationship with Projects in Other Countries: The training and information sharing aspects of the project will be enhanced by the linkages that will be developed with AID sponsored integrated rural-urban development projects underway in Africa and Asia. Considerable information already is available on the Philippines Bicol River Basin project in the form of quarterly progress reports. It may be possible also to provide for visitations between project of key personnel.

The Africa (Upper Volta) and Asia (Philippines) projects have been developed with the assistance of a centrally funded project sponsored by AID's Technical Assistance Bureau, Office of Urban

Development (TA/UD). TA/UD will facilitate the exchanges between these projects and the Rural Development Planning project in Bolivia. In addition, TA/UD will provide the Upper Volta and Philippines project teams with quarterly reports and other information generated through the integrated rural-urban development activity of the Bolivia project. The three countries already have copies of the basic conceptual paper on integrated rural-urban development entitled Urban Functions in Rural Development: An Analysis of Integrated Spatial Development Policy (sponsored by TA/UD and forthcoming as a Praeger publication).

Periodically, TA/UD will send teams skilled in the concepts of integrated rural-urban development to monitor developments in the Bolivia project, exchange ideas, and feed information back into the centrally funded TA/UD project -- the objective of which is to consolidate and share widely the results of the Bolivian, Upper Volta and Philippines projects. This will be accomplished by the preparation of a single report or handbook based on the three country projects. The report will describe various practical approaches to integrated rural-urban development which can be incorporated into rural and regional planning efforts in other countries. The report will be given wide distribution throughout the development community and may serve as the basic working document for regional (geographic) seminars on the subject.

MEMORANDUM

November 25, 1977

TO : Mr. Frank B. Kimball, Director
USAID/Bolivia

FROM : AA/TA, Marjorie Belcher *MB*

SUBJECT : Memorandum of Agreement: Rural Development Planning Project

TAB's Office of Urban Development (TA/UD) has been working with USAID/Bolivia on the integration of its "Urban Functions in Rural Development" project with the Mission's project entitled "Rural Development Planning". The two projects appear to be highly complementary and I am pleased that we are able to collaborate in this way.

An apparently mutually satisfactory means for combining the two projects in Bolivia has been reached as reflected in the Mission's project paper which was developed with TA/UD's participation. The purpose of this memorandum is to spell out formally for Mission concurrence the terms and understandings on which this proposed combining of TAB and USAID/Bolivia resources is based.

1. The TA/UD "Urban Functions in Rural Development" project paper was approved in May 1976. It included three field applications -- one each in Asia, Africa, and Latin America. A total of \$250,000 is budgeted for the Latin America application.
2. TA/UD and the Mission have been exploring since April 1977 the possibility of a Bolivia site for the "Urban Functions..." project and ultimately concluded that incorporation of the TA/UD activity into the Mission's Regional Development Planning project would strengthen and give greater scope to both projects.
3. Accordingly, both the \$250,000 in funding and the basic scope of work for the TA/UD project have been incorporated into the Mission's project paper. TAB will allocate to the Mission its appropriation for this project through an exchange of cables after the Mission has signed this memorandum of agreement and the Mission's Project Paper has been approved by AA/LA. It is agreed that the Mission will manage the "urban functions" activity as a part of its overall project management and that technical backstopping and monitoring will be provided by TA/UD as specified in the PP and, as feasible, in response to additional requests from the Mission.

4. The TAB funds may be merged with Mission funds in support of this project, with the understanding that the full scope of the TA/UD activity as outlined in the body of the Mission PP and Annex J "Integrated Rural-Urban Development and Planning" will be carried out. Funding to be made available for the "urban functions" activity over the life of the Mission's project is shown in the budget attached to this memorandum.
5. The Mission agrees to regular periodic TA/UD monitoring and evaluation of the "urban functions" activity to permit technical guidance and exchange of information and interaction with the TA/UD "urban functions" project in Upper Volta and Philippines. (TA/UD will provide the Mission with relevant information from these parallel projects). Monitoring and evaluation will be planned, insofar as possible, to coincide with the Mission's evaluation schedule for the overall project.
6. The Mission agrees to provide TA/UD copies of the quarterly progress reports (English) and the final report (English) required of the Regional Planner at Potosi as spelled out in Annex J to the PP.
7. The Mission agrees to consult with TA/UD on the final selection of the Regional Planner for Potosi who is to carry out the "urban functions" aspect of the Mission's project and to involve TA/UD in development of those portions of the PIO/T that relate to the "urban functions" activity.
8. The Mission agrees to notify TA/UD of any significant problems that arise in the Regional Development Planning project that would affect the satisfactory completion of the "urban functions" activity and to involve that Office in any revision in scope of work that might be required.

Your signature or that of a designated representative in the space below will indicate Mission agreement with the terms and understandings of this memorandum.

USAID/Bolivia

Date:


March 10, 1978

Attachment to Memorandum of Agreement
Integrated Rural-Urban Development Budget

Regional Planner (expert in urban- rural linkages, stationed at Potosi)	2 yrs at \$85,000 per year	\$170,000
Vehicle and equipment		10,000
Workshops	5 at \$3,000 per	15,000
Field Studies	40,000 for Potosi 15,000 for Chuquisaca	<u>55,000</u>
	Total:	\$250,000 *

*Note: Individual line items may be adjusted at the discretion of the Regional Planner at Potosi, subject to approval of USAID, the GOB and TA/UD.