



United Nations

Millennium  
Development Goals:

# Progress in Bolivia

# index

Preface

4

References

5

Extreme poverty

6

Universal primary education

8

Gender equity

10

Maternal health

12

Child mortality

14

HIV/AIDS, malaria and other diseases

16

Environment and sustainable development

18

Global society for development

20

# presentation

The United Nations Country Team in Bolivia hereby presents a status report of the situation of the country's progress toward the fulfillment of the Millennium Development Goals in Bolivia. These goals were established and subsequently a final version was agreed upon, at the Millennium Summit (New York City, 2000), with the participation of the UN, World Bank, IMF and the countries of the OCDE/DAC.

Within this framework, in the year 2000 the UN team in Bolivia prepared the publication: "Remontando la pobreza: Ocho cimbras a la vez" with eight case studies suited to the Millennium goals. This book was very well received and it became a valid tool for public servants, municipalities, universities, International Cooperation, investigation centers and other Civil Society organizations. This proved that the Millennium Development Goals are useful tools in measuring the progress of nations in the fight against poverty as well as toward the search for life with dignity for the people of the world.

The report that we now present sums up and updates the information in the book "Remontando la pobreza..." and recovers other helpful initiatives that were developed jointly by the UN system, Bolivia's government and other strategic partners. This, along with national reports from other countries, will be a means for establishing, measuring and reaching our goals in the fight against poverty, as well as being the foundation of the General Secretary's campaign for promoting the fulfillment of the Millennium Goals throughout the world. In the present report, the approximations, projections and valuations presented will certainly change in the future, since results are always dynamic, nevertheless, they will be useful in measuring the progress made and challenges in our work.

The purpose of this report is to focus on the progress made in the country and the challenges pending for Bolivia. It describes the status of the national follow-up infrastructure and thus contributes an evaluation on what is needed for strengthening national capacities in each area. This way the priorities for action by International Cooperation, including UN will be highlighted. All the information is based on official and updated country data.

The pursuit of the Millennium Development Goals has also contributed to the establishment of short, medium and long-term indicators in order to follow through with the Bolivian Poverty Reduction Strategy Paper (EBRP) and other plans for development by the National Government. Moreover, this seeks to contribute to present statistical systems with a pro-active approach in data and indicator selection for future public policies.

Finally, I would like to point out that this report does not pretend to be either an analytical document or an explanatory study of future tendencies. On the contrary, it is simply a means for promoting, sensitizing and making our goals known. It seeks to strengthen public conscience on basic development opportunities and on the need for building alliances, renewing political commitments and strengthening national capacities for follow-up and awareness raising. The UN Country Team in Bolivia participated in its elaboration and received comments from the Economics Policy Analysis Unit (UDAPE) as well as from the Ministry of Finance (Treasury).

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Resident Coordinator of the United Nations in Bolivia

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# extreme poverty

- Goal 1:** Eliminating poverty and extreme poverty
- Objetivo 1:** Reduce by half, between 1990 and 2015, the percentage of persons with incomes below a dollar per day (extreme poverty).
- Objetivo 2:** Reduce by half, between 1990 y 2015, the percentage of people who suffer from hunger (povert)

## Performance

### Summary:

Will the goal be met by 2015?  
Slightly probable

State pf support conditions for achievement of goals:

Improving, but more support is needed

## 1. Poverty and Extreme Poverty Reduction: Diagnosis and tendencies

Considering historical tendencies, there are few probabilities of meeting the goals, especially considering that extreme rural poverty tended to increase in the last two years, and that the incidence of poverty was reduced very slowly.

On one hand, the median income of the indigent is 25% lower than the cost of the basic food needs, becoming up to 33.7% lower in rural areas where the daily food consumption shows a gap of over 28% with respect to the WFP/FAO recommended 2100 Kilo-calorie levels. This results in chronic malnutrition which affects 50% of children under 5 years of age in the poorest homes.

On the other hand, from 1992 to 1999, a poverty reduction of 7.3 percentage points was achieved (from 70% to 62.7%), while extreme poverty was reduced from 37% to 36.5% in the same period. Bolivia did not manage to keep up a sustained rhythm of poverty diminution, and even less so in the case of extreme poverty in the medium and long range.

The economic perspectives show that growth rates for the coming years will not permit an acceleration in the fulfillment of international goals.

In summary, since there is a close relationship between poverty and growth, the existence of other factors which explain poverty conditions (such as insufficient access to markets, lack of productive and highway infrastructures, among others) the meeting of goals in the scheduled timeframe is not achievable.

This is confirmed when one considers the effect of growth rates of around 4% during the decade of the nineties which allowed a reduction of the incidence of poverty of approximately one percentage point per year. This problem

becomes more acute if one considers the nature of economic growth which has become concentrated in capital-intensive areas and not in labor-intensive ones, affecting inequality and concentration of income.

## 2. Challenges for Poverty and Extreme Poverty Reduction

The greatest challenge for poverty and extreme poverty reduction is the creation and strengthening of the conditions necessary for the implementation of the Bolivian Strategy for Poverty Reduction (BSPR) in the next 15 years. Because this is an integrated poverty reduction program implying institutional changes, a high level of coordination between the diverse people in charge of poverty reduction and capability of generating funds for the implementation of this Strategy, it shares responsibility with the civil population.

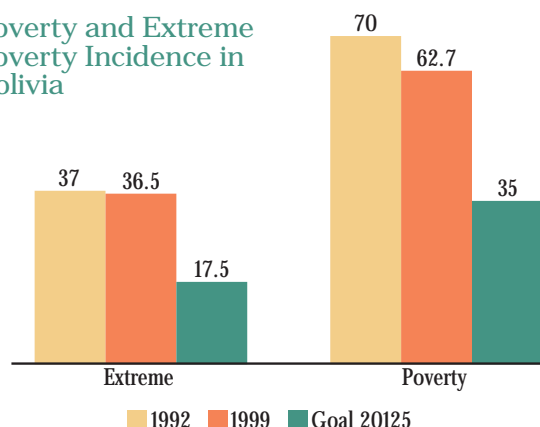
Even assuming that proposed area and cross cutting actions for BSPR should be carried out within planned schedules, is it unlikely that the reduction goals for poverty and extreme poverty reduction (at least 50% until the year 2015, that is, up to 17.3% and 40.6% respectively as laid out in the BSPR) could be met (more so considering that the international goal is lower, the nation is even farther from reaching it), since one of the essential conditions in the growth capability of the economy is a sustained annual economic growth rate of 5% to 5.5% for a period of 15 years. Since up to 1998 the country grew on an average of 4% and less than 1% during the last 2 years, it is highly probable that the growth expectations laid out in the BSPR will not be met. However, this low growth could perhaps be compensated with improvements in its quality, that is to say in a more equitable distribution of income and growth.

## 3. Support Framework (Policies and Programs)

In the framework of the new Strategy, the main financing and support needs in terms of technical assistance will be related to the 4 strategic components of the BSPR and its cross-sectional areas.

- Opportunities for job and income creation for the poor should be increased. The BSPR proposes specific strategic actions and policies related to: i) promotion of rural development, ii) incentives for the development of small and medium enterprises (iii) macrofinancial development iv) technological assistance support and v) construction and maintenance of road networks.
- Developing the Productive capabilities of the Poor.

Poverty and Extreme Poverty Incidence in Bolivia



The quality of social services is an incentive for the population to demand health and education services, and in a reasonable time-frame, perceive the returns on its investment.

Adequate living conditions, and availability of basic sanitation facilities contribute to the preservation of human resources, insofar as they avoid the prevalence of disease.

To reach this objective, specific policies will be implemented related to i) improving the quality and accessibility of education services, especially primary schools. ii) improving the conditions and accessibility of health services, and iii) improving living conditions.

- Increased Social Participation and Integration. Policies for poverty reduction, promotion of participation, organization, citizenship and social integration are required. By reducing social exclusion, the poor could have greater opportunities to achieve attention to their demands, fulfillment of their basic needs, acquire capabilities, exercise social control, become integrated and form new social networks, increasing their income and their quality of life.
- Increasing the safety and protection of the poor with actions in the following areas: i) social protection programs oriented toward vulnerable groups ii) integral attention toward children, risk-prevention programs, attention to disasters and emergency situations and iv) judicial security in the holding of assets through the clearing of rural lands and urban property, as well as the definition of a normative and institutional framework for the access to and use of natural resources.
- Cross-cutting issues. These include three main components: development with identity, gender equity proportion, and sustainable management of natural resources and the preservation of the environment.

The opening up of new opportunities for economic development for native peoples is suggested, facilitating of social services development with co-managerial equality, as well as the strengthening of political development with juridical institutional affirmation.

Actions aimed at gender equity will be promoted through i) Development and implementation of actions and policies oriented towards improving opportunities for women, ii) Creation of capabilities and exercise of women's citizenship and iii) Protection and promotion of women's rights.

The politics of environmental management are oriented towards: i) optimizing the use of hydric and land resources, ii) strengthening planning, management and control of environmental quality; iii) developing mechanisms and tools for the adequate management of biological diversity, and iv) promotion of sustained and equitable use of forestry resources.

#### 4. Priorities of Assistance for Development

The government of Bolivia needs the support of the International Community to meet its proposed goals as set down in the BSPR. Aside from the financing needs for the policies already described, there are some general objectives that the government wishes to negotiate with

### The national dialogue process

In principle, the "2000 Dialogue" was structured on the basis of a Social Agenda with the objective of defining, in a participatory fashion, the allotment and social control mechanisms of HIPC debt relief program funds. Due to changes taken place in social expectations, the design of the Dialogue, which originally included only social issues built upon on the municipal arena, underwent changes, expanding to include an Economic and Political Agenda.

To make the "National Dialogue 2000" a reality, it became necessary to previously carry out other participatory processes whose proposals later served as discussion inputs in order to reach agreement on results. Among these were the Jubilee Forum 2000, the Producers Liaison, the Council of Original Eastern Peoples' Dialogue, encounters with Private Development Institutions, the Consultation with Farmer Women of La Paz, and the National Council of Ayllus and Markas of Qullasuyu.

The results of these processes made the identification of needs possible, and allowed the drafting of poverty reduction proposals with certain special characteristics. Likewise, as a result of these processes, it was agreed upon that diverse issues would be treated in the Dialogue tables, grouped by different sectors such as: support for production, education, health, basic housing and health, land/territory and criteria for resource transfers. Consensus was reached in the National table dialogue, and was taken into consideration during the design of the EBRP.

International Cooperation agencies to guarantee financing for poverty reduction included in the BSPR:

- Postponing or alleviating Bolivia's graduation rhythm of concessional financing windows for the purpose of reducing the ne-gative impact on the financing of the BSPR and on results achievement.
- Continuing with the implementation of the "New Relationship Framework between Bolivia and the International Cooperation Agencies", to facilitate the disbursement of aid resources orienting them toward BSPR objectives.
- Incorporating those issues related to the opening of markets and free trade treaties with the OCDE countries in the bilateral discussion agenda for the purpose of providing sustainability to BSPR development policies.
- Guaranteeing greater flexibility and opportunity in disbursements for poverty reduction programs.

### 5. Poverty and Extreme Poverty reduction Evaluation and Monitoring Capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability		✓	
Quality of the information in recent polls	✓		
Statistical follow-up capability		✓	
Statistical analysis capability	✓		
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms		✓	
Monitoring and evaluation mechanisms		✓	

# universal primary education

**Goal 2:** Reaching universal primary education

**Objective 1:** Guaranteeing that by 2015 all children will be able to complete primary education.

## Performance Summary:

Will the goal be met by 2015?  
Highly Probable

State of support conditions for achievement of goals:  
Good, but much more is required.

## 1. Universal primary education: diagnosis and tendencies

One can state that Bolivia is near to fulfilling its goal of making access for children to primary school universal.

The country has reached a relatively good position insofar as gross coverage is concerned (over 100% since 1994), however, the net rates of coverage are somewhat lower (near 91% between 1997 and 2000) It should be pointed out that the goal basically refers to process or results indicators.

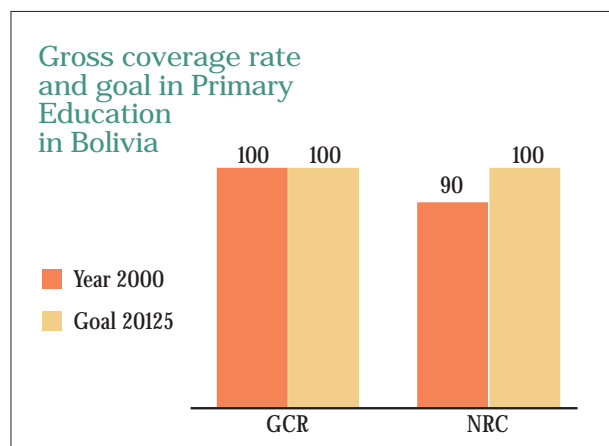
The observed advances as to coverage and perspectives for quality improvement allow us to predict that goal fulfillment shall be highly probable.

In the medium range, one of the main objectives is to improve the quality of public education services, which means that the implementation of the Educational Reform Program (ERP) must be completed in all its component parts. On the other hand, there is evidence that the returns for better and greater education are seen in the long run, thus the impact in the schooling rates will only be quantifiable in the following years when population groups exist educated in accordance to the principles of the Educational Reform.

## 2. Challenges for Universal Primary Education

Bolivia has relatively high indicators of gross coverage, even comparable to those reached by neighboring countries such as Chile.

To improve this information, this year a National Census of Population and Housing (CNPV 2001) was held



which shall provide necessary and sufficient information for the calculation of coverage rates and will allow the updating of these and other indicators, mainly in reference to the school-age population.

The gross coverage is greater in urban and provincial areas than in rural areas, although even in these latter areas it is relatively high and no inequity against women can be observed insofar as gross coverage is concerned. This problem appears in rural areas, although in a lightly accentuated manner.

The main causes for differences between gross and net measurements seem to be the high rates of repetition and dropouts, which are ratified by the observation of relatively low transition and permanence rates

The dropout rate remained nearly constant since 1990, coming down from 6.8% to 6.7%, although the flunk-out rate was reduced from 6.4% to 5.6% during the last ten years.

Late enrollment is seen as one of the most important features of the Bolivian system, since in combination with early dropouts and repetitions, it suggests that a significant quantity of people leave the system without having completed their schooling (principally high school).

The data confirm that this is the case in spite of the fact that a cohort analysis shows that great advances have been made in the past few years.

All in all, it can be stated that Bolivia is close to reaching this goal, which is based on result and process indicators, and not on impact indicators such as population school-years. When educational achievements are considered as a "final" result (years of schooling), one can observe that differences between men and women and differences between urban and rural areas are the greatest, and that in the best of cases, according to the BSPR it is estimated that 67% of the population will have access to 8 years of schooling by 2015.

## 3. Support Framework (Policies and Programs)

The ERP's objective is raising the coverage and quality of education, especially in the primary level, to deal with the necessity of overcoming low educational levels in the population. The Law of Educational Reform introduced important changes, especially involving greater community participation in education, establishing

a new curricular organization including new areas, reconfiguring levels and modes of education, incorporating concepts of inter-culturality and bilingual education.

A Measurement of Educational Quality System (SIMECAL) was designed and norms were determined for administrative ordering in the public school system.

Likewise, the Educational Reform Program (ERP) was adapted to the new decentralized administrative structure. As of the year 2003 the Reform will reach initial and secondary levels as well.

To improve and facilitate decision-making, an Educational Research System (ERS) exists for collection of administrative data entries from approximately 14.800 educational units.

#### 4. Priorities for Development Aid

In spite of efforts made by the Educational Reform, low quality levels can still be observed, in great measure attributed to the inadequate incentives for teachers, especially the present day remuneration structure established on the basis of the teachers' roster (escalafón), which is determined almost exclusively by seniority. This system does not encourage permanent updating, nor does it stimulate better job performance from the teachers in service. Teaching is not an attractive profession resulting in a high proportion of "interim" or substitute teachers.

The government of Bolivia needs support from International Cooperation to maintain those achievements obtained up to date, to reach the goals set down in the Educational Reform

- Sustainability of the Educational Reform, guaranteeing availability of funds in order to continue with the program during the following years.
- Application of curricular transformation must be accelerated in the initial and secondary levels, and in a parallel fashion, in teacher education.
- A new administrative system for teaching personnel must be promoted which will allow incentives for permanent modernization efforts and better performance from teachers, which will also incorporate performance and results as well as seniority.

### Progress and challenges in education

In the National 2000 Dialogue the need for reducing illiteracy was expressed. It must be emphasized that the only way of definitively eradicating illiteracy is through universal schooling for children. Here lies the importance of pre-school and primary education. In accordance to research and studies, early quality educational intervention allows children to face schooling with greater success, since they develop greater learning skills. In economic terms, this translates into savings for the Bolivian State, since it has been shown that educational intervention at a the initial level contributes to lowering repetition and drop-out rates in primary school levels.

During the nineties, Bolivian enrollment rates improved markedly, and gender disparities in enrollment patterns have been reduced although they still exist between urban and rural areas. The gross rate of primary school coverage between 1990 and 1999 increased by 10 percentage points, exceeding 100%. This increase can be explained by a greater allotment of public resources, the Education Reform process, and the growing importance that society gives to the education of its children.

However, the quality of education is still low. Only two thirds of primary school children finish the sixth grade. In general, Bolivian education is still below the Latin American average, in accordance with UNESCO evaluations in language and mathematics for the third and fourth primary school grades.

- It is necessary to implement policies to try to alleviate the late enrollment problem. Among these one could consider information programs and campaigns to provide incentives for initial education (those children who attended initial education programs show better performance in primary school, and lower probabilities of dropping out or repeating).
- A greater high school offering should be assured.
- Specific information should be used to identify those areas of the country which require priority attention, designing policies so that the system will grant them special attention.

#### 5. Universal Primary Education: Evaluation and Monitoring capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability	✓		
Quality of the information in recent polls		✓	
Statistical follow-up capability	✓		
Statistical analysis capability		✓	
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms		✓	
Monitoring and evaluation mechanisms		✓	

# gender equity

**Goal 3:** Promote gender equity and empowerment of women.

**Objective 1:** Eliminate gender differences in primary and secondary education, preferably up to the year 2005, and in all other levels of education by 2015

## Performance Summary:

Will the goal be met by 2015?

Highly probable

State of support conditions for achievement of goals

Good

## 1. Gender Equity: Diagnosis and Tendencies

The problem of gender inequity is reflected, among other aspects, in differences between men and women in the issues of capabilities, access to opportunities and economic and political participation.

In the educational area it can be seen that gross national and departmental enrollments do not show large differences between men and women. The national level index of asymmetry at all levels is of 104, which varies slightly by Departments. On the other hand, the asymmetry index in primary schools is 104, with a slightly larger departmental variation than in the case of the all levels index. Secondary schooling shows an enrollment equivalent to only 22% of primary enrollment, showing a high marginality rate, or lack of access to this level of the school system. For high schools, an asymmetry index of 111 can be observed.

An analysis of net coverage rates shows that gender asymmetries are also present: the national masculine rate is 64%, while the feminine rate is 59%, resulting in a net asymmetry rate index of 108. Aside from the differences in access to educational services existing between men and women, there are also some differences among them in the issues of repetition and drop-outs, although not very marked.

In conclusion, progress was made in the last decade in reducing gender discrimination, which has resulted in greater participation of women in economic and social decision-making, in their entering and remaining in school, among others, so that the fulfillment of goals is highly probable.

## 2. Challenges for Gender Equity and Empowerment of Women

The Follow-up Plan to the recommendations of the World Action Platform (WAP) has shown the following difficulties and challenges in its definition and execution:

Lack of financial resources designed toward gender equity in education. The analysis of coverage does not show important gender inequalities on a national level, however, the plan does not have enough resources for its effective implementation.

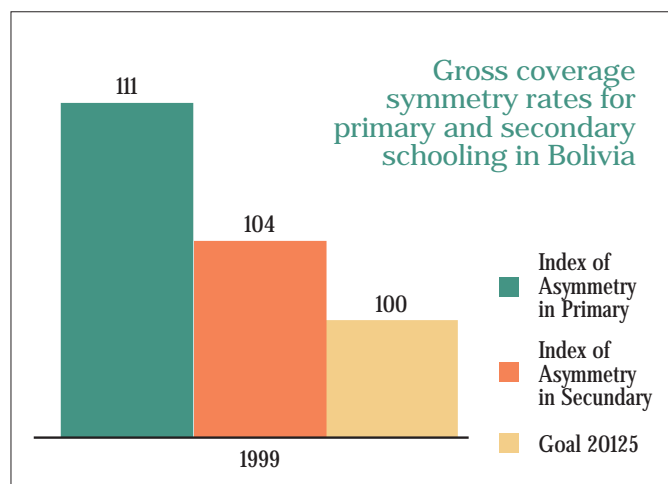
Human resources to motivate gender equity. Specialized professional human resources are scarce, as are those concentrated on the reflection, analysis and political handling of the relationship between gender and empowerment of women.

## 3. Support Framework (Policies and Programs)

Promotion of gender equity and empowerment of women is one of the main cross-cutting components of the BSPR.

This Strategy determines that the State will promote actions destined to seek gender equity through: (i) development and implementation of policies and actions oriented toward improving opportunities for women; (ii) capability generation and exercising of citizenship by women; and (iii) protection and promotion of women's rights.

Likewise, the implementation of the National Gender Equity Plan, as well as the National Plan of Struggle against Violence toward Women, and the National Plan for the Eradication of Poverty Related to Women was started at the beginning of 2001.



#### 4. Priorities for Development Aid

The Government of Bolivia needs International Cooperation support to meet related gender equity goals as laid out in the Educational Reform, as well as support for activities proposed in the BSPR with reference to the empowerment of women and promotion of gender equity. Among these initiatives, we could mention the following:

- Consolidation of previous efforts of incorporating gender and intercultural viewpoints in primary education extending them to the rest of the educational system in all its levels and forms.
- Promotion of the creation of programs which will give rural women access to education in all levels, including literacy and basic technical training, as well as supporting programs which promote access to and permanence in schools.
- Defining closer interaction between the Ministry of Education and the Vice Ministry of Gender Matters, so as to coordinate the demand for education for girls and women by their parents.
- Promoting women's participation in the resource-allotment economic circuits, with access to income, productive resources, as well as goods, capital and work markets.
- In the workplace, improving opportunities for women insofar as access, remuneration and use of productive resources. Likewise, improving access to land ownership, credit, and full deliberation on the present unequal distribution of domestic and familiar tasks.

#### Asymmetry Index Calculations

The gender symmetry in enrollment is measured using the proportion of men and women in the school-age population. This index allows the analysis of the existence of a possible asymmetric difference in detriment of women due to gender, with reference to access to education.

On one hand, the school-age men to women relation is considered; on the other, the men to women relation in the gross enrollment rate is considered. The fundamental idea is that the number of school age men per women ratio should be the same as the men to women enrollment ratio. If for every 100 school age women there are 100 men, then there should be one man enrolled for each enrolled woman, thus showing a symmetric relationship.

Likewise, each time that the number of school-age men per women is equal to the number of men per women in the enrollment figures, irrespective of whether there are more or less men than women in both cases, symmetry is considered to exist.

#### 5. Gender Equality: evaluation and monitoring capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability		✓	
Quality of the information in recent polls		✓	
Statistical follow-up capability		✓	
Statistical analysis capability		✓	
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms			✓
Monitoring and evaluation mechanisms			✓

# child mortality

**Goal 4:** Reducing child mortality rates  
**Objective 1:** Reducing child mortality rates (boys and girls under five), by two thirds between 1990 and 2015

## Performance Summary:

Will the goal be met by 2015?  
Slightly probable

State of support conditions for achievement of goals  
Improving.

## 1. Child Mortality Rate (CMR): Diagnosis and Tendencies

In 1989 the CMR reached 120 per 1000 live births, a percentage which was reduced to 116 by 1994 and to 92 in 1998, representing an improvement in general terms. However, these figures do not show the differences between regions in the country, since the CMR in rural areas is 1.9 times higher than the registered urban rate.

In spite of advances made insofar as to mortality reduction, the results do not yet approximate international indicators.

Although in the 1998 National Survey of Demographics and Health (ENDSA), analyses of proportional mortality by cause were not made, it is interesting to ascertain that lethality rates for pneumonia and diarrhea have shown a sustained diminution consistent with child mortality reduction in children under five. However, difficulties as to mortality reduction persist. While urban mortality rates have been lowered in a sustained manner, the rural rates have not varied in the same fashion, widening even more the urban-rural gap.

However, in spite of important efforts in terms of promotion of access to health services through free treatment for children under 5, an insufficient demand problem persists, especially for cultural reasons. On the other hand, there are also difficulties in access to services in dispersed and distant areas because of the lack of sufficient infrastructure.

Another factor that affects this delay in the fulfillment of set goals is the inadequate use of services. Thus, for cases which could be treated in primary level establishments, the population tends to seek second or third level centers, impeding effective service delivery.

Due to the aforesaid, it can be said that it is only "slightly probable" that the goals can be met by the year 2015.

## 2. Challenges for reduction of Child Mortality

To accelerate advances in the lowering of child mortality rates, the following aspects should be considered:

- Improvement of the quality of services offered. For this purpose, it is necessary to increase coverage considering regional characteristics, focusing efforts on higher-risk areas, avoiding dispersion of resources, increasing outlays for health, especially in training and hiring of appropriate medical, paramedical and auxiliary personnel. The health-problem solution capability in the Health System should be improved through the establishment of reference and counter-reference networks.
- Promoting service demand, through information programs and training of the population, especially women, as well as improving schooling levels for mothers.

## 3. Support Framework (Policies and Programs)

At the present time a series of policies and programs related to the goal are being implemented:

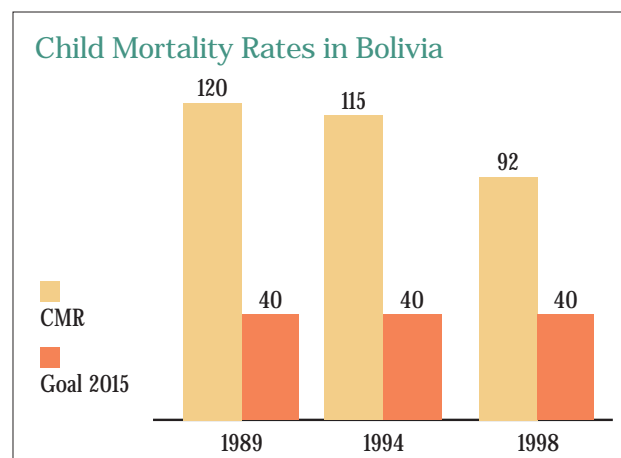
- Strategic Health Plan (Plan Estratégico de Salud PES)  
The Strategic Objective of the SHP is to build a health system with universal access based on primary health services as well as on family medicine, the epidemiological shield, the "Seguro Básico de Salud (SBS)" (basic state health insurance) short term social security, and the promotion of healthful municipalities.

The main components of the Reform, within the framework of the PES, are the following:

"Seguro Básico de Salud" (SBS) which is aimed at the establishment of a joint (solidary) health insurance system able to organize, regulate and finance a package of cost-effective services within the primary health framework.

Family medicine – This instrument for primary attention with actions within the health services and at the heart of the household, representing an approximation of the offer towards the demand, and constitutes an important complement to the basic health insurance package.

Social Security: Basic health insurance will be merged with social security, increasing coverage and efficiency in primary attention.



**Epidemiological shield:** This has as its objective the control and reduction of the incidence of the main transmissible diseases, and is made up of: control, prevention and treatment of Chagas, malaria and tuberculosis, as well as the strengthening of the epidemiological vigilance system and the Extended Immunization Program (Programa Ampliado de Inmunización PAI).

**Human resources and sanitary professional career programs.** A professional sanitary curriculum will be introduced as the main incentive in this offer.

**Institutional Strengthening:** This comprises training programs for high and middle level Public Health Ministry and Departmental Health (MSPS) Services SEDES personnel; the creation of a Planning Unit and the strengthening of the National Health Information System (SNIS) as well as the deepening of the de-centralization process in the health sector.

- **Basic Health Insurance.** This is being implemented as of 1999, as an extension of the National Maternity and Child Insurance program (1994), with the objective of providing a free basic service package to all gestating mothers during pregnancy, birth and post-partum, as well as to all children from gestation until five years of age for respiratory and diarrheic diseases, vaccination and micro-nutrient supplements.
- **Special Protection for Children.** The new Child and Adolescent Code has been approved as a modern legal regulatory tool to provide integral protection for children and adolescents, including the respect of their rights to health and education.
- **Intercultural Health Approach,** through the development of the Health with Identity program, it recognizes inter-culturality and the need to overcome cultural barriers in the offering of health services, through a process of awareness-raising in health personnel in relation to the importance of promoting respect for the usage and customs of native peoples.

#### 4. Priorities for Development Aid

There are two great areas requiring cooperation for the achievement of infant and childhood mortality reduction goals.

- **Consolidation of Seguro Basico de Salud (Basic State Health Insurance SBS),** included in the PES with the objective of extending the basic service offering toward an integral health services offer in the first two attention levels.
- **Extension of the Integral Attention Package for Diseases prevalent in Childhood (AIEPI).** This is a strategy for infant and child mortality reduction that forms part of the SBA Basic Health Insurance and includes three components:

Improvement of the qualification of health personnel, improvement of the capacity of the health system to deliver the AIEPI package to the population, and promotion of family and community practices.

### Child mortality reduction: family training

Among the main objectives of the National Program for Attention to Boys and Girls under (PAN) are: a) providing adequate attention in initial education, nutrition, health and protection to children under six years of age b) improving the knowledge of the women who participate in the Program (educators and mothers) on integral attention in childhood, c) strengthening the families as principal attention agents for children, and d) promoting family and community participation as actors in their own development.

This type of integral program that take into consideration both health and education aspects, contribute to the reduction of child mortality rates, through processes of training for mothers and families, so that they will be able to handle in an efficacious manner those problems associated to the main causes of mortality in the home (infectious diarrheic and respiratory diseases)

This strategy has been implemented up to 40% in the country as a whole with respect to the first level of attention services. By the end of the 2001 term, the aim is to reach 80% coverage in all health services.

Aside from these two initiatives, it is necessary to support:

- Access to adequate living conditions (basic services) for the prevention of diarrheic disease.
- Promotion of the use of Oral Re-hydration Therapy for diarrhea control.
- Early detection and adequate treatment of acute respiratory infection episodes.
- Training for mothers for the prevention of infectious disease.
- Program sustainability especially in the basic Health Services SBS.

#### 5. Child Mortality: Evaluation and Monitoring capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability		✓	
Quality of the information in recent polls		✓	
Statistical follow-up capability		✓	
Statistical analysis capability		✓	
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms			✓
Monitoring and evaluation mechanisms			✓

# maternal health

**Goal 5:** Improvement of maternal health  
**Objective 1:** Reduce maternal mortality rates by three fourths, between 1990 and 2015.

## Performance Summary:

Will the goal be met by 2015?

Slightly probable

State of support conditions for achievement of goals:

Improving.

## 1. Reduction of Maternal Mortality: Diagnosis and tendencies

For the year 2000, the maternal mortality rate (MMR) is estimated at around 374 per 100,000 live births (BSPR, Annexes, p. 97). This estimate will be validated by the results of the National Population and Housing Census (CNPV 2001), that is to say that a reduction of 4% will be seen with respect to the 1994 value National Survey of Demographics and Health (ENDSA) of 390 per 100,000 live births. However, notwithstanding efforts made in the information systems, the statistical data has not been updated and therefore it is difficult to determine with precision progress made toward set goals.

According to the Bolivian Poverty Reduction Strategy (BSPR) it is hoped that this rate will be diminished to 200 per 100,000 live births by the year 2015.

Insofar as causes of death are concerned, it has been determined that hemorrhaging is in first place. Abortion would not represent more than 10% of maternal decease. Eclampsia, one of the few preventable illnesses through pre-natal control, is in second place.

In global terms, in accordance with estimates made by the Risk Free Maternity Initiative, 40% of pregnant women show some type of complication and 15% present serious complications which might put their lives at risk. In absolute numbers, of 285,000 pregnancies for the year 2000, 120,000 will show complications and 42,000 will be serious.

However, the ENSDA for 1998 shows an even higher percentage, with about 53% during birth alone.

Considering the historic evolution, characteristics and levels of maternal mortality in the country, is not likely that the goal will be met by the year 2015.

## 2. Challenges for the Reduction of the Maternal Mortality Rate

The health system is developing a service network to facilitate the reference and counter-reference process for patients with complications. However, this process cannot be accelerated since it is linked to other factors such as scant development in transportation and communications, making resolution of obstetrical emergencies more difficult.

Women face difficulties in decision-making on their health at the time of birth, both because they do not perceive the dangers they face in case of an obstetrical emergency, as well as because other family members make decisions on their behalf.

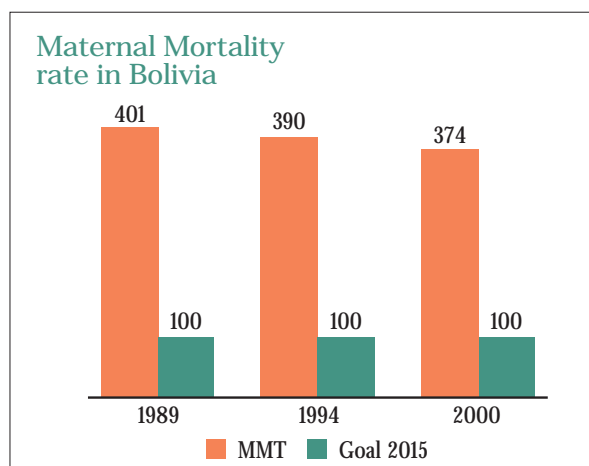
However, the perception exists that attention in public centers is neither adequate nor opportune, especially because cultural factors are not taken into account.

Important women's segments, especially in rural and disperse areas, do not have access to health services, during and after pregnancy and birth, therefore increasing their vulnerability to complications and risk of death.

On the other hand, although efforts are being made, the problem of lack of information persists with respect to prenatal care, which could influence the existence of problems at the moment of birth.

Although coverage for home birth is increasing, it is still low and requires more trained personnel.

Basic Health Insurance (SBS) is taking steps to improve pre-natal and pregnancy coverage, as well as attention to home births.



## 3. Support Framework (Programs and Policies)

- Basic Health Insurance guarantees availability of medical supplies, as well as greater access of the population to health services, since the 314 municipalities in Bolivia have signed agreements for its implementation.
- Projects with foreign financial funding exist for support of local health actions in reproductive health in most

of the Bolivian national territory (National Reproductive Health project – GTZ, Health Sector Reform Project and Maternal and Neo-natal Health Project)

- The Sexual and Reproductive Health Program is being implemented, however, it is necessary to strengthen the technical profile of those in charge of its execution.
- The National Sexual and Reproductive Health Forum exists as an inter-institutional and international coordinating mechanism.

#### 4. Priorities for Development Aid

Support is needed in five fundamental strategies:

- Territorial localization of the problem according to maternal health indicators and installation capabilities.
- Institutional steps should be prioritized in health-center births, considering that maternal health is a sequence of stages and that it is part of the general reproductive health picture. However, to overcome existing access to services difficulties, home attention services should also be promoted through midwife and auxiliary training.
- Creation of obstetrical networks joined to social women's emergency support networks. This will allow a better working of the health services system. The municipalities must strengthen the construction and maintenance of local and secondary road networks to guarantee the functionality of the obstetrical networks.
- Training of health services personnel with the objective of promoting opportune detection of complications

### Quality and warmth in health services

In spite of an increase in public health services attention during pregnancy and birth, one of the factors that stands in the way of service demand is the insufficient quality and warmth of those services. It is necessary to promote greater access through the implementation of programs oriented toward the cultural appropriateness of those services and toward improvements in the quality of the attention, through training programs for health services personnel.

Another aspect to be considered is that the possibility birth attention at home is an important alternative policy, until the consolidation of service networks is achieved. This requires the participation of Municipal Governments, through improvements in the road networks which will facilitate transportation of patients with birth complications.

and risks in pregnant women, women giving birth and newborns. On the other hand, advances must be made in the application of the Health with Identity program, with the goal of promoting an improvement in the quality of services.

- The availability of external and internal resources for the continuation of these programs should be guaranteed.

#### 5. Maternal Mortality Reduction: Evaluation and Monitoring capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability			✓
Quality of the information in recent polls		✓	
Statistical follow-up capability			✓
Statistical analysis capability			✓
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms		✓	
Monitoring and evaluation mechanisms			✓

# hiv/aids, malaria and other diseases

**Goal 6:** Combating HIV/AIDS, malaria and other diseases

**Objective 1:** Reduce by half and begin to revert the propagation of HIV/AIDS by 2015,

**Objective 2:** Reduce by half and begin to revert the incidence of malaria and other endemic diseases by 2015

## Performance Summary:

Will the goal be met by 2015?

Probable

State of support conditions for achievement of goals

Improving.

## 1. AIDS, Sexually Transmitted Diseases (STDs) and Endemic Diseases (malaria, chagas and Tuberculosis): Diagnosis and tendencies

When analyzing HIV and AIDS cases in Bolivia one can see that Bolivia is faced with an “incipient epidemic” due to the fact that HIV prevalence in high risk behavior groups is lower than 5%, a fact confirmed for Bolivia by studies of serum prevalence carried out on the country’s sexual workers, among whom the prevalence is lower than 1%.

The official cumulative incidence rate up to July 1998 was 0,62 per 100 thousand inhabitants, which means a low prevalence, although that proportion increased slowly after 1985, a year in which it reached 0,02 per 100 thousand inhabitants. However, the presence of STDs, such as syphilis, chancroid, gonorrhea and chlamydia increase the probability of infection with HIV through sexual relations.

The incidence of those latter diseases in Bolivia is considered to be high: 73,8 per 100.000 inhabitants for gonorrhea, 55 for syphilis and 46 for Hepatitis B, in 1998.

These rates indicate that STDs constitute a public health problem in the country and have a greater incidence vis-à-vis the AIDS epidemic, thus the importance of disseminating messages, information, education and communication of healthful practices for HIV/AIDS prevention.

Poor households, especially those located in rural areas, often face heightened risks of disease due to precarious living conditions, and the scant availability of health,

water and basic sanitation services. Several regions are exposed to endemic diseases such as Chagas, malaria and tuberculosis, which tend to generate the prevalence of high mortality rates, compromising work productivity potentials.

The three endemic diseases that represent the heaviest load of illness are Chagas, malaria and tuberculosis. Chagas disease is the cause of 13% of all deaths for people between 15 and 75, and the transmission areas comprise 60% of the Bolivian territory. The prevalence of malaria is considered high (8.8 per 1,000 inhabitants for the year 2000). The incidence of tuberculosis shows a decrease, yet it is still among the highest in the region (107 per 100 thousand inhabitants for the year 2000).

Although in Bolivia the incidence of HIV/AIDS does not represent a significant public health problem, transmissible diseases (Chagas, malaria and tuberculosis) due to their prevalence, do constitute an important risk factor for the population, especially in endemic areas.

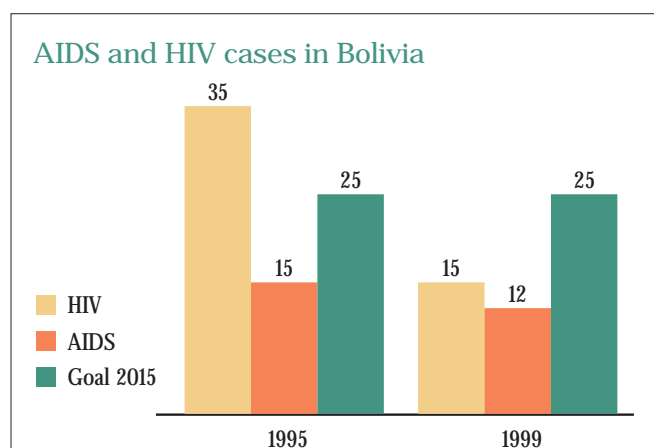
However, progress achieved in the country, permit foreseeing that the goals will be met in time, as scheduled.

## 2. Challenges for the reduction of the incidence of HIV/AIDS, STDs and endemic diseases

The national STDs/AIDS program needs to broaden its areas of action, emphasizing prevention issues, especially among high-risk groups, through information and communication campaigns, which require additional resources.

The greatest problems faced by the epidemiological shield programs were associated with financing. Likewise, the program for fighting Chagas received disbursements, which were delayed until the second semester of the 2000 term, with corresponding delays in equipment acquisitions, supplies and vehicles for field operations. As far as malaria, although financing for the program is guaranteed for the Beni and Pando Departments, there are no resources available as yet to implement the program in the rest of the country.

Insofar as treatment and prevention of tuberculosis is concerned, there were difficulties with the Departmental Health Services (SEDES), due to the fact that this endemic disease was not among their priorities. However the MSPS was able to internalize this priority and the program is being



revived in those SEDES with a high prevalence of that disease.

### 3. Support Framework (Policies and Programs)

The national program for STDs/AIDS, in order to insure the performance of diverse activities oriented toward prevention and control of STDs/HIV/AIDS, is applying a prevention model based on three components:

- Diagnosis and treatment of STDs
- IEC (Information, Education and Communication) Activities
- Promotion of Condom use.

As part of the Health Reform program, in the Basic health Insurance SBS, health activities are incorporated that contribute in the work against the presentation of STDs.

As far as the epidemiological shield is concerned, this program is part of the Strategic Health Plan, and is in charge of prevention, detection, and treatment of endemic diseases. Coverage of prevention activities, control and cure of the three main endemic diseases (Chagas, malaria and tuberculosis) was substantially increased between 1999 and the year 2000, having achieved the fumigation of more than 185.000 households against Chagas. The Index of Annual Parasitosis (IPA) was reduced to 8 per thousand; in tuberculosis the number of diagnosis and treatments was 10% higher in the year 2000 than for 1999.

With the goal of eliminating Chagas, the Program for Improvement of Housing in Endemic Areas was made possible with the improvement of 3.200 housing units in the Tarija and Chuquisaca Departments.

### 4. Priorities for Development aid

As far as AIDS, STDs and endemic diseases are concerned, it is important to put emphasis on prevention, meaning the disseminating of information, mass communications and education. These activities should constitute a priority since they are cost efficient.

## Epidemiological shield perspectives

One of the endemic diseases with harsher consequences is Chagas. It is hoped that with fumigation of households in prevalent areas, the prevalence of this disease will be reduced from 60% in 1999 to 5% in 2015. These results are associated to the implementation of the housing improvement program in endemic areas.

The Epidemiological Shield initiatives will be extended to prevent and treat other endemic diseases. Within the EBRP framework, those resources destined to extending prevention and treatment interventions of transmissible diseases will become prioritized.

The epidemiological vigilance system will be institutionally strengthened in order for it to have high solution capabilities at local levels, in order to control possible outbreaks through the implementation of a laboratory network, community training and a blood-bank network.

Resources are available for the execution of the Epidemiological Shield program, for equipment, infrastructure and strengthening of the public health system. Additionally, it is hoped that a Health with Identity program will be developed and that there will be continuity in activities for prevention, diagnosis and treatment of the principal transmissible diseases (Chagas, malaria and tuberculosis). Likewise, a nutrition information, education and communications plan is being developed to support preventive medicine initiatives. It is thought that the increase in human resources in the area, through an incentive system, will allow an increase of the activities of the National STD/AIDS and Epidemiological Shield programs.

The provision of basic services (potable water and basic sanitation) must be assured since these contribute to the elimination of plagues, vectors, and other types of transmissible diseases such as malaria and Chagas.

The implementation of those prevention programs requires external financing for their sustainability.

### 5. HIV/AIDS, Malaria, Chagas and Tuberculosis: Monitoring and Evaluation Capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability		✓	
Quality of the information in recent polls		✓	
Statistical follow-up capability		✓	
Statistical analysis capability		✓	
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms			✓
Monitoring and evaluation mechanisms		✓	

<b>Goal 7:</b>	Guaranteeing environmental sustainability
<b>Objective 1:</b>	Integrate sustainable development principles into the country's policies and programs, and revert the loss and degradation of environmental resources.
<b>Objective 2:</b>	Reduce by half the proportion of people without access to potable water between 1990 and 2001,
<b>Objective 3:</b>	Significant improvement should be made in the lives of at least 100 million people who live in "low-income neighborhoods" by 2020

## Performance Summary:

Will the goal be met by 2015?  
Probable

State of support conditions for achievement of goals:  
Weak, but improving

## 1. Environment and sustainable development: Diagnosis and tendencies

Although progress has been made in the setting down of policies linked to environmental management and sustainable development with the passing of fundamental laws such as the Law of Forests, INRA (National Agrarian Reform Institute Law), Popular Participation, Mining Code, Hydrocarbon Law, and the regulations of the Environmental Law and the ratification of the bio-diversity, climatic changes and creation-of-desert agreements, a complete and coherent regulatory body which would assure management oriented toward sustainable development is still lacking.

A law of Conservation of Bio-Diversity, a law for the proper use of water resources, a law of territorial organization and specific norms on wildlife and other issues are still pending approval. Important gaps subsist in current legal norms, and in some cases contradictions exist in different aspects as can be seen in the Hydrocarbon Law, the Popular Participation Law and the Regulations for Environmental Management.

On the other hand, the improvement of housing quality, and access to potable water and basic sanitation services directly affects the state of the health of the population and future worker productivity. Diseases diminish productive capabilities, deteriorate income levels and increase poverty.

The provision of basic services allows the elimination of plagues, vectors and other types of diseases such as malaria, Chagas and leishmaniasis which are principal causes of health problems in the more vulnerable groups, and which cause high infant mortality and morbidity.

Insofar as coverage of potable water services, according to the 1992 CNPV 1992, this reached 89% of households in urban areas although only 75% of these had household connections. (In the rural area water coverage was 25% and only 17% had household connections).

In summary, in accordance with progress made in recent years, it is possible that the country may reach fulfillment of its goals in accordance to schedule.

## 2. Challenges for the Implementation of a Sustainable Development Strategy

Due to the weak institutional nature of the State, environmental management was not, up to the present, a priority in the country's Agenda. Efforts up to the present time have not been able to modify the environmental situation, which is marked by the increasing degradation and erosion of the soil, deforestation, loss of biological diversity and environmental pollution.

Lack of environmental awareness and of technical capabilities for sustainable development. The general citizenry lacks adequate information and understanding of environmental problems, causing a lack of demand for the adoption of policies that could lead toward sustainable processes. There is no social commitment which could translate into a change of attitudes with relation to the usage of natural resources. There is no commitment to change consumer practices, nor with abundance of environmental norms.

Unsustainable forms of usage and exploitation of natural resources. During the nineties, there was some progress in the normative and institutional framework but it has not been possible to carry out concrete actions that would entail a change in the usage practices for use and exploitation of natural resources. Therefore, the associated environmental problems, far from improving, have increased with predictable negative economic and social consequences.

Insufficient financial support. Public investment directed toward environmental management has been extremely small (3.8%) for the 1999 and 2000 terms, although if resources that the State dedicates to connected areas such as water, basic sanitation are added, this figure would be increased. The fact that these resources come, for the most part, from international cooperation agencies, shows that the State, due to budgetary restrictions, is not capable of taking on these responsibilities in an adequate fashion.

International market conditions and payment of external debt. Small participation in world commerce and the efforts that the country is making to be able to add value to its exports (at the expense of serious damages to the environment), linked with a great foreign debt

burden, do not allow a search for sustainable development alternatives.

The proposal of the Bolivian Strategy for Poverty Reduction, on its part, has included these issues on its medium and long-term agendas.

### 3. Support Framework (Programs and Policies)

The need of regulating access to land and to natural resources; of preventing environmental impact, and of ensuring bio-diversity conservation and environmental quality, has led to the approval of a series of legal norms that constitute a general framework for environmental management.

The Law of the Environment establishes environmental policies on the basis of the following:

Promoting sustainable development with equality and justice, taking cultural bio-diversity into consideration as well; Conservation, improvement and restoration of rural and urban environmental quality. Conservation of biological diversity; Optimization and rational use of water, air, soil and other renewable resources; Incorporation of environmental elements in all national development processes; Incorporation of environmental education; Promotion and fostering of scientific and technological research; Establishment of territorial ordering; and, Development of environmental plans and strategies which grant priority to the creation and maintenance of patrimonial accounts.

On the other hand, the recognition of indigenous and farmers' rights over their territories and traditionally occupied lands as well as over natural resources, is one of the aspects on which progress has been made in the clearest manner. However, and as mentioned before, it

is necessary to complete current legislation and make it compatible, as well as to develop mechanisms and procedures for its proper application.

### 4. Priorities for Development Aid

The priorities that need to be carried out for the fulfillment of established goals are extensive and complex, but some of the main topics are mentioned as follows:

- Sustainable Development Strategy. The design of a sustainable development strategy for a minimum period of 15 years, is a priority, which will permit facing the challenges and necessary changes to set the nation on the road to sustainable development.
- Proclamation and application of legal norms. There is urgency in the approval of two fundamental norms: The Law of Territorial Ordering and the Law of Bio-diversity and Conservation.
- Determination of policies and adequate tools for sustainable development. Strengthening of State institutions.
- Design of a farming and animal husbandry sustainable policy.
- Conservation of forests and sustainable forestry production.
- Bio-diversity management.
- Development of eco-tourism as a conservation-compatible alternative.
- Management of hydric resources.
- Improvement and conservation of the quality of the environment.
- Citizen participation in environmental and sustainable development issues.

### 5. Environment and Sustainable Development: Evaluation and Monitoring Capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability			✓
Quality of the information in recent polls			✓
Statistical follow-up capability			✓
Statistical analysis capability		✓	
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms			✓
Monitoring and evaluation mechanisms			✓

- Goal 8:** Developing a global society for development
- Objective 1:** Developing an open commercial and financial system, based on rules, foreseeable and non-discriminatory, which will deal with debt reduction to sustainable levels
- Objective 2:** Putting the special needs of less developed nations on agenda
- Objective 3:** Putting the special needs of landlocked nations on agenda.
- Objective 4:** Developing and implementing strategies for decent and productive work for the young.
- Objective 5:** Providing access to inexpensive medicine, and making the benefits of new technologies (information and communication) available.

## Performance Summary:

Will the goal be met by 2015?

Probable

State of support conditions for achievement of goals  
Weak

## 1. Global Society for Development: Diagnosis and Tendencies

Starting with 1985, Bolivia initiated structural reforms that allowed the stabilization of the economy and the generation of conditions for growth. These reforms redefined the role of the State, oriented the economy toward the free market, and favored the opening up of the economy toward the exterior world. Actions were taken toward the liberalization of the goods and factors market; the opening of exterior commerce and the liberalization of the financial system.

For a low-income nation such as Bolivia, the participation of the International Community through multilateral organizations as well as bilateral agencies and friendly governments, has always played a critical role of great importance for development programs.

Up to the present, the Bolivian strategy of relationships with the International Community has developed in two great areas. On one hand is its relation with the countries of the OCDE, linked principally to discussions of issues of international interest such as the war against drugs, or the support of the execution of structural reforms and the re-negotiation and relief of the external debt or the implementation of technical and financial assistance programs for the development and promotion of foreign investment in the country. On the other hand, the relationships with neighboring countries have above all been concentrated on commercial and political aspects.

Bolivia had access to very favorable financing facilities in the framework of development aid, which has allowed it to keep up an important level of external savings attraction, which for the last 15 years has financed a considerable part of its fiscal deficit and imports, expanding, among other aspects, the possibilities of public investment.

In 1997, Bolivia had the opportunity of entering the HIPC program which benefits chosen nations through a reduction of part of their multilateral and bilateral debt, contributing thus to their macroeconomic stability and the freeing up of resources to fight against poverty. This year, the country has reached a decision point on HIPC I. In September 1998, the fulfillment of the initiative issue was approved, after financial goals of

established structural and social reforms were achieved in a satisfactory manner.

For the year 2001, the acceptance of the BSPR by the IMF, WB and IDB international organizations allowed Bolivia to gain access to approximately \$US 2,300 as part of the HIPC II Initiative. In the next 15 years, 80% of those resources will be available.

We should mention that for objectives 13, 14 y 15 some issues set out in the BSPR are being negotiated, but that there is no information which will allow for a precise diagnosis of the situation in the country.

On the basis of what is described above, and considering that it is expected that the BSPR will be transformed into State Policy, the achievement of goals and objectives is feasible within scheduled timeframes.

## 2. Challenges for the Development of a Global development Society

Reduction of expenses (except for salaries) and an increase in tax income. Expense control and reduction measures were applied in order to grant a sustainability margin to the deficit as well as a strict control of monetary emission.

Market liberalization began with the state de-regulation of domestic prices facilitating transparency in the operations of economic agents in the goods and services markets. In the workplace, the work market conditions were made more flexible through free hiring practices, and extraordinary bonuses were consolidated into the basic salaries. In this manner, prices recovered their role of signaling resource allotments to economic agents.

The opening of the economy toward external markets allowed the reduction of production costs for negotiable goods. The dispersion of customs tariffs was eliminated, and a tariff system was implemented with low and uniform charges.

At present, the creation of a private non-profit foundation is being promoted to support, promote and foster the development of communications and information technologies, especially in rural areas. This seeks to

promote social economic and cultural development especially in small towns (under 5000 inhabitants) with increasing access to public regional, national or international telecommunications networks. The implementation of social service programs for young university graduates in rural communities will provide support for municipal and rural management and social integration promotion.

However, Bolivia faces two critical problems which it must resolve. On one hand, it needs to invest heavily in order to obtain concrete results in the fight against poverty, but on the other hand, and as a result of these and other prior investments, it must allot growing amounts of resources to their sustainability.

To this effect, the country has begun negotiations with multilateral financial organizations, and with International Cooperation Agencies to avoid the closing of preferential financing and facilities.

### 3. Necessary Support framework (Policies and Programs)

In the past 15 years, Bolivia has been one of the Latin American countries with the greatest flow of official aid resources through different modes of credit and donation, destined toward diverse programs and projects.

Recently, starting from the active work of the Consultive Group, the Government has put into effect the New Framework of Relations between Cooperation and the Government, with the aim of channeling international aid in a more effective manner towards joint priority programs, under a common development vision.

Within this framework, and considering these resources, as well as others which could be committed in the future for the financing of the BSPR, it has become necessary to deepen this relationship in the new framework between the Government and International Cooperation, with the goal of improving the possibilities of execution and effective absorption of international aid.

The application of this New Framework implies mainly the recognition, by international cooperation agencies, of the following principles:

- National leadership in the definition of development priorities based on the BSPR, taking this as a reference point, both for reordering of the Bolivian credit portfolio, as well as for the new official aid commitments that could be granted to the country.
- The commitment must be made to assume joint responsibility, and strengthen coordination mechanisms through the joint financing of specific programs in priority areas, as determined by the Government. This implies accepting common goals among the different cooperation agencies, facilitating the mechanisms for channeling resources avoiding dispersion in multiple interventions and projects.
- The use resource channeling mechanisms for budgetary support should be privileged, which will permit high flexibility in the re-allotment of funds towards those programs that present the best conditions for execution and disbursement.

## XXI Century: Toward a development oriented society

Through the implementation of second-generation structural reforms (education, health, popular participation, among others), Bolivia began the process of building a society able to take on responsibilities and decisions as to its development.

This concept is reinforced by processes such as the National 2000 Dialogue, and the design of the Bolivian Poverty Reduction Strategy (BSPR), which prioritize civil society's vision, and incorporate definitions of public policies. Likewise, the need of guaranteeing sustainability in actions directed toward obtaining more equitable growth and poverty reduction has been put forward. The need for a wide opening of markets, and a full exploitation of natural resources is proposed, re-orienting productive activities toward products which show comparative advantages. It is also proposed to attract international support through access to initiatives such as the HIPC I and II debt-relief, while negotiating the postponement of the nation's graduation from concessional resource windows, among others.

In addition, progress must be made in extending telecommunications and access to information, so as to create availability of human resources with the capacity of facing the new century's challenges, through the widening of knowledge, considering that information is fundamental in order to achieve progress in national development.

- Contracting and financial administration procedures should be simplified and made compatible, accepting, wherever possible local Bolivian norms as related to these processes. This also implies the elimination of conditions referred to the type of activities to be financed or the origin of the goods and services to be financed.
- Aid follow-up and evaluation mechanisms should be results-oriented, emphasizing the fulfillment of indicators and goals established in the BSPR.
- The administration of international aid should be decentralized, granting to local Bolivian agents the possibility of decision making on program approval, re-allotment of funds and other topics which could contribute to speed up the execution process, as well as the relations between the Government and cooperation agencies.

Insofar as those principles described above are applied, it can be expected that on the short term a joint effort can be made toward reorganizing current outstanding credit portfolios with the diverse agencies and cooperation organizations, and that in the future the absorption capability of public institutions will improve, and with it higher levels of execution and disbursement could be reached.

Finally for the achievements of the objectives of the BSPR (Estrategia Boliviana de Reducción de la Pobreza), mentioned mainly in Goal 1), the government proposes that Bolivia could prolong, in a general manner, the

period of access to external financing in concessional terms, that is to say, at lower interest rates and longer repayment and grace periods..

For the achievement objective 16, the BSPR provides action guidelines with reference to the construction and maintenance of roads, export corridors, support for small and medium enterprises, and employment policies, among other elements.

#### 4. Priorities for Development Aid

On the basis of the foregoing, and seeking to turn the international community into a strategic partner for Bolivia’s development, the need for refocusing its relationships with the international community in the following specific areas becomes evident:

- Extending, in a general manner, Bolivia’s access to concessional financing windows for the purpose of reducing the negative impact of the closing of concessional sources of funding on the BSPR and the consequent achievement of desired results.

- Implementing the principles of the New Framework for Relationships between Bolivia and International Cooperation, for the purpose of facilitating the disbursement of aid resources , orienting them towards the objectives of the BSPR.
- Incorporating into the bilateral discussion agenda issues connected to the opening of markets and free trade treaties for the purpose of giving long-term sustainability to the development policies contained in the BSPR. The revision and increase of preferential tariffs has been requested, as well as the eliminating of restrictive practices for Bolivian exports to foreign markets, (among these, the Unites States), especially on textiles and clothing.

Since it is insufficient to refer the issues of relations and support from the international community only to the financing and foreign investment areas, one of the structural solutions for the sustainability problems in the development process in Bolivia is the opening of markets, especially in the more developed countries. It is understood that the opening of markets and the free trade treaties constitute one of the more solid solutions for the development of the country.

#### 5. Development of a Global Society for Development: Monitoring and Evaluation Capabilities

Elements of monitoring capability	Valuation		
	High	Good	Weak
Data collection capability	✓		
Quality of the information in recent polls		✓	
Statistical follow-up capability	✓		
Statistical analysis capability	✓		
Capability for incorporation statistical analysis to policies, plans and resource allotment mechanisms		✓	
Monitoring and evaluation mechanisms		✓	