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- Volume 3

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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30486955

R1977-032 Other #: 513-1 Box #: 6930B

Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 -
Volume 3

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UNDP Project Officer
Baltazar

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

Mr R. Riley

P1136

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

☒ Information

Signature

Initial

Send On

REMARKS

Bol - 15

*End of Project
Whoopee!*

From

R. Jones

Mr. V. Riley
DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

LEONARD A. EHRIG
Controller

PHILLIP J. DANIEL
ARTHUR E. MANN
S. KENNETH JOHNSON
IRVAN F. MENDENHALL
T. K. KUTAY
DAVID R. MILLER
SVEN B. SVENDSEN
ALBERT A. DORMAN
STANLEY M. SMITH

November 17, 1971

International Bank for Reconstruction and
Development
1818 H Street, N. W.
Washington, D.C. 20433

ATTENTION: Mr. Robert Jones
Chief, Special Programs Section

Gentlemen:

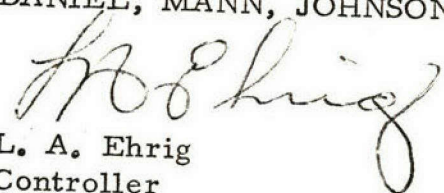
We are happy to acknowledge receipt of your check for \$13,473.94 in reference to our contract on the UNDP - Bolivia Transport Survey.

DMJM takes great pride in the successful conclusion to a project of this scope. As we have previously stated, we feel the results of this survey, if properly utilized, can afford many long-range benefits both to the Bank and to the Government of Bolivia.

Our relations with the Bank have been most pleasant, and you may be assured the full facilities of the DMJM organization are available to assist the Bank in such projects as may be occasioned by future world-wide developments.

Yours very sincerely,

DANIEL, MANN, JOHNSON, & MENDENHALL


L. A. Ehrig
Controller

LAE:jz

BOL-15

October 28, 1971

Daniel, Mann, Johnson and Mendenhall
3325 Wilshire Boulevard
Los Angeles, California

Dear Sirs:

We enclose our check for \$13,473.94 representing the final payment with respect to your contract on the UNDP - Bolivia Transport Survey.

Including this payment disbursements to you under the foreign currency element of the contract total \$890,000 equivalent which is the limit stated in Section 3.03(a) of the contract amendment of February 5, 1968.

We would appreciate your acknowledging receipt of the payment.

Very truly yours,

Robert Jones
Chief, Special Programs Section
Administrative Expense Division

cc: Messrs: Mr. F. Dominquez
Mr. S. Moini
Mr. V. Riley ✓
Mr. C. Walser

Voila!
Case Closed

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310/BOL/15 ✓
DP/SF/310/BOL/25

23 September 1971

Dear Mr. Demuth:

Subject: Integrated Transport Survey BOL 15

Further to the conversation your Officer concerned had with the Area Officer of this Bureau, we have reviewed the request made in Mr. Riley's letter of 15 July for the use of approximately \$4,000 remaining in the fellowship component of the budget of the above-noted project.

As we informed you by our letter of 12 August, we have no objection to agreeing to the type of fellowships proposed by the IBRD, namely, UNDP funds being utilized to defray the travel expenses for three officials to Mexico and Chile for an observation tour.

We, however, hesitated to authorize the fellowships utilizing the funds available under the BOL 15 project budget since that project has been completed and no international expert is in the country either to guide the fellows in the preparation of the study programme or to assist them, upon their return, in the application of the newly acquired knowledge. Therefore, we felt that it will be more appropriate to finance these fellowships under the BOL 25 "Railways Management and Organizations" project as we proposed to Mr. Riley in our letter of 12 August.

/...

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
Washington D, C. 200433

*Randall Hajdon
Maini
R. Jones
Dominguez
Morra
Sassoan
DSD*

SEP 30 1971

UNITED NATIONS
DEVELOPMENT PROGRAMME




PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

- 2 -

In the light of the telephone conversation with the Area Officer and since the IBRD is anxious to utilize the funds available under the BOL 15 project, we agree to the Bank's proposal.

We would appreciate your reflecting this authorization in the final Adjustment Advice for this project.

Yours sincerely,

for 
Gabriel Valdés S.
Assistant Administrator
and

Director, Regional Bureau for Latin America

omf
Bol-15

Mr. Skillings

September 2, 1971

Louis Pouliquen

BOLIVIA - General Transport Survey
Final payment to Consultants (DMJM)

1. The Government is still owing the Consultants \$13,473.94, which is the difference between the foreign currency contract ceiling and the total of payments made to date -- (the actual invoices submitted by the Consultants go beyond the contract ceiling, but payments are limited to the contract ceiling).
2. On January 6, 1970, we sent the Minister of Coordination and Planning a letter (copy attached) asking him for his agreement to this last payment. We need his approval before we can make the payment, because the contract is between the Government and the Consultants. This letter was apparently not received, nor was a copy sent to the Subsecretary of Coordination and Planning on May 26, 1970. On June 24, 1971 a second copy of the January 6 letter was sent to the Subsecretary. (Copies attached.)
3. On June 1, 1971, Mr. Dominguez visited Mr. N. Dalenz, Subsecretary of Coordination and Planning. Present at the meeting were Mr. Rene Navajas, Director of ENFE, and Oscar Zapata, from the Ministry of Coordination and Planning, and former Coordinator of the Transport Survey. One of the topics discussed was the matter of the last payment to DMJM. Mr. Dominguez asked the Subsecretary if he would approve such a payment, providing we obtain from DMJM a receipt stating clearly that this was final payment on the contract. Mr. Dalenz agreed in principle; he asked Mr. Zapata to check if the Ministry had not yet given its approval to the last payment (we have no record of such a letter) and, if it had not, to prepare a letter to the Bank authorizing the last payment. This letter has not been received.
4. It appears that DMJM has given up its intention to ask for additional compensation above the contract ceiling, and that they will be visiting the Bank on September 8 to settle the matter. The Bank would like to be in a position to tell DMJM, at that meeting, that the last payment has been approved and is being processed.
5. Could you discuss this matter with the Minister of Coordination and Planning and request that he send us a cable or a letter with the Government's agreement to the final payment since the final report has now been received and we must close the accounts of this project before the end of the present year?

FDominguez:rr

Cleared with and cc: Mr. R. Jones

cc: Legal, Riley, Mr. Lithgow

UNDEVPRO

September 8, 1971

ASUNCION

LT

PARAGUAY

CONFIRMING TELEPHONE CALL FROM DOMINGUEZ SEPTEMBER 7 WILL BE GRATEFUL
YOU IMPRESS ON MINISTER SAMANIEGO INCONVENIENCE DELAYING STUDY FOR
WHICH CONSULTANTS HAVE SIGNED CONTRACT AND STARTED PREPARATIONS STOP
SINCE CONSULTANTS CANNOT KEEP TEAM AVAILABLE INDEFINITELY DELAY MAY
NECESSITATE CONSIDERATION ALTERNATE EXPERTS AND ACCEPTANCE HIGHER
COSTS STOP UNDP HEADQUARTERS ADVISES THAT GOVERNMENT SHOULD PAY LOCAL
COST CONTRIBUTION PROPORTIONATE DURATION OF SERVICES PERFORMED IN
1971 OR ABOUT 25 PERCENT OF CONTRIBUTION IF CONSULTANTS ARRIVE
ASUNCION OCTOBER STOP UNDER GOVERNING COUNCIL DECISION EFFECTIVE
JANUARY 1972 COMMA FUTURE YEAR ASSESSMENTS TO BE EIGHT PERCENT OF
INDICATIVE PLANNING FIGURE AND NOT BASED ON INDIVIDUAL PROJECTS STOP
CONSIDERING SMALL SIZE 1971 CONTRIBUTION OF ABOUT 4300 DOLLARS SUGGEST
YOU DISCUSS MATTER WITH MINISTER SAMANIEGO AND REACH AGREEMENT MUTUALLY
SATISFACTORY PERMITTING START STUDIES WITHOUT FURTHER DELAYS STOP
REGARDS

POULIQUEN
INTBAFRAD

L. Y. Pouliquen
Preinvestment Services Division

Cleared with & cc: Mr. Riley ✓
cc Mr. Dosik

L. Y. Pouliquen
DP/SF/310 Per 21

ROUTING SLIP		Date <i>July 26, 1971</i>
NAME		ROOM NO.
<i>Mr. V. Riley</i>		<i>D-1136</i>
<i>Bol - 15</i>		
<i>follow up</i>		
<i>8/3</i>		
To Handle	<input checked="" type="checkbox"/>	Note and File
Appropriate Disposition	<input type="checkbox"/>	Note and Return
Approval	<input type="checkbox"/>	Prepare Reply
Comment	<input type="checkbox"/>	Per Our Conversation
Full Report	<input type="checkbox"/>	Recommendation
Information	<input type="checkbox"/>	Signature
Initial	<input type="checkbox"/>	Send On

REMARKS

This refers to your letter DP/SF/310 BOL 15 of July 15, 1971 to UNDP/New York. Please let me know as soon as you hear from UNDP/New York so that I may answer the attached cobb -
Many thanks
Re/ppe

From

S. A. MORRA

I N C O M I N G C A B L E

DATE AND TIME
OF CABLE:

JULY 23, 1971

LOG NO.:

WU TELEX/24

TO:

INTBAFRAD

FROM:

LAPAZ VIA UN NEW YORK

R O U T I N G

ACTION COPY: MR. MORRA

INFORMATION
COPY:

DECODED BY:

TEXT:

622 MORRA

YOURLET 14 JULY UTILIZATION BALANCE FUNDS BOLIVIA TRANSPORT SURVEY.

AM REQUESTING GOVERNMENT PROPOSED PROGRAMME. PROPOSAL HAS MY CONCURRENCE.

PLEASE CABLE ME AS SOON AS UNDP APPROVAL IS RECEIVED.

PASCOE

FCA

JUL 26 1971

INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION

TELETYPE CABLE

ROUTING	
ACTIVE COPY:	MR. MORSE
INFORMATION COPY:	
DECODED BY:	

DATE AND TIME
OF CABLE
JULY 23, 1971
TO: MR. MORSE
FROM: MR. MORSE
TEXT

602 MORSE
YOU ARE IN JULY UTILIZATION BALANCE FUND POLICY WORKSHOP MEETING.
AN REQUESTING GOVERNMENT PROPOSED PROGRAMME. PROPOSAL HAS MY COMMENTS.
PLEASE GIVE ME AS SOON AS YOUR APPROVAL IS REQUIRED.

THANKS

COMMUNICATIONS
SECTION
JUL 24 2 29 PM 1971

JUL 26 1971

TYPED

OFFICE MEMORANDUM

TO: Mr. Vincent Riley
FROM: Robert Jones
SUBJECT: UNDP - Bolivia - Integrated Transport Survey (BOL-15)

DATE: September 7, 1971

We refer to Mr. Carlos Vegega's (UNDP) letter Ref. DP/SF/310 BOL 15 dated August 12, in reply to yours of July 15, 1971 in connection with a fellowship assignment under the above project.

Mr. Vegega's statement, in his first paragraph, regarding the completion of the study would appear to us to be incorrect. The accounts on the above study are still open and no final or ~~si~~mi-final advices have been sent to the UNDP.

cc: Mr. G. Morra
Mr. J. Duarte

NESiveroni/cdf

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 BOL 15

12 August 1971

Dear Mr. Riley,

Subject: Bolivia - Integrated Transport Survey

Please refer to your letter of 15 July 1971 regarding a fellowship under the above project. In principle, we have no objection once we are informed, to the modification in the objective of a certain fellowship. However, as you know, this project was terminated in February 1970, and all accounts are closed.

If you believe there is enough justification, and if the Government is in agreement, funds for an ordinary fellowship under Special Fund project Bolivia 25 - Assistance to the National Railways, could possibly be used for the purpose of a study tour.

We look forward to hearing from you again regarding this matter.

Yours sincerely,

David H. Hartog
for Carlos S. Vegega
Officer-in-Charge
Regional Bureau for Latin America

Mr. Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

AUG 19 1971

*This is not so!!
GHORRA*

*Dominguez
Morra
are not
in favor
this solution.
fy*

*Stefano Mena
Dominguez
R. Torres
DPD - Syst. 7*

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

August 23, 1971

NAME

ROOM NO.

Mr. Moini

Mr. Dominguez

Mr. Moura

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Please advise on a reply.

F

G. Abdi

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 BOL 15

12 August 1971

Dear Mr. Riley,

Subject: Bolivia - Integrated Transport Survey

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We look forward to hearing from you again regarding this matter.

Yours sincerely,

for *David H. Hartzog*
for Carlos S. Vegega
Officer-in-Charge
Regional Bureau for Latin America

Mr. Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

Spelling - mmm
Dominyan 2
R. Jones
798
FD - 544.7

AUG 19 1971

DP/SF/310 BOL 15

July 15, 1971

Dear Mr. Valdes:

BOLIVIA: Transport Survey

Last month we received through the Resident Representative a proposal from the Government of Bolivia to use the approximately \$4,000 remaining in the fellowship component of the above project. In Mr. Pascoe's letter of June 9, a copy of which was sent to you, he outlined the Government's proposal that these funds be used to defray travel expenses for three high officials to Mexico and Chile for an observation tour, the purpose of which would be to discuss common problems of transport planning with their counterparts in these two countries.

While the Bank would be prepared to agree, we would not wish to do so without your concurrence, since such an arrangement would be different from the ordinary fellowship. We have indicated to the Resident Representative in a letter dated July 14, a copy of which is attached, that we will be in touch with you on this matter, and accordingly we look forward to receiving your comments and/or concurrence.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosure

Mr. Gabriel Valdes S.
Assistant Administrator and Director
Regional Bureau for Latin America
United Nations Development Programme
United Nations, New York 10017

VJR:cbh

cc: Mr. Morris, Mr. King
Mr. Dominguez
Mr. Robert Jones
Mr. ~~Moin~~

July 14, 1971

Mr. Juan Pascoe S.
Resident Representative
UNDP
Casilla 686
La Paz, Bolivia

Dear Mr. Pascoe:

This refers to Mr. Van Wagenen's letter of June 23 and my cable of July 7, 1971 concerning the utilization of the balance of the fellowship funds, under the Bolivia UNDP Transport Survey.

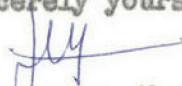
As already stated in Mr. Van Wagenen's letter, we have no objections to the Bolivian Government's suggestion that the \$4,000 available under fellowships be used to defray expenses for a visit of three high officials to Mexico and Chile to discuss problems related to transport planning. However, although funds allocated for fellowships are usually used for specific training programs, we are prepared to support the Government's suggestion providing we receive your concurrence as well as the approval of the UNDP Headquarters in New York. We are presently contacting the latter directly.

As indicated in Mr. Van Wagenen's letter, we assume that all the arrangements will be made by the Bolivian authorities and that a report on the findings of the work-visit will be sent to the Bank by the Government at the conclusion of the trip.

If this proposal is approved, we believe the simplest arrangement might be to have payments connected with the visit advanced by your office and then recovered later by the I.O.V. method resulting in appropriate charges to our remittance account by your New York Headquarters. It would be of assistance, then, if the notation "UNDP-Bolivia Transport Survey" (BOL-15) could be shown on each I.O.V. The copy of the I.O.V. sent to the Bank should be to the attention of the undersigned.

We look forward to receiving your comments and/or concurrence on this matter.

Sincerely yours,


Giuseppe A. Morra
Training Adviser's Office
Office of the Director-Projects

Cleared with and cc: Messrs. Riley ✓
Dominguez

cc: Messrs. King
Jones

JUL 15 1971

UNDEVPRO

JULY 7, 1971

LA PAZ

IBF GOVT

BOLIVIA:

FOR DON JUAN PASCOE

REYOURLET FCS-IBRD/1598 AND VAN WAGENENS LETTER JUNE 23 WOULD APPRECIATE
YOUR HOLDING FINAL DECISION ON UTILIZATION BALANCE OF FELLOWSHIP FUNDS
UNDER BOLIVIA TRANSPORT SURVEY UNTIL RECEIPT MY FORTHCOMING LETTER
REQUESTING ADDITIONAL INFORMATION ON GOVERNMENT PROPOSED PROGRAM REGARDS

MORRA
INTRAPRAD

John A. King

Office of the Director - Projects

cc: Messrs. King
Dominguez

Gloria:esp

June 23, 1971

Mr. Juan Pascoe S.
Resident Representative
UNDP
Casilla 686
La Paz, Bolivia

Dear Mr. Pascoe:

In Mr. Morra's absence, I should like to answer your letter of 11 June concerning the proposed visit of three officials to Chile and Mexico for observation purposes.

I have discussed this proposal with Mr. Dominguez, of the Bank staff, as outlined in the letter attached to yours. He had talked about this in Bolivia recently and believes it would be quite useful in both countries provided the appropriate officials are sent. We suggest that one official of the Ministerio de Planificación y Coordinación definitely be included and that the others should come from two different governmental agencies concerned with transportation. ✓

We assume that all arrangements will be made by the Bolivian authorities, but would appreciate having a brief report of activities after the trips. We also assume that any expenditures above the balance of around \$4,000 in the UNDP Transport Survey account will be paid by Bolivia and not the UNDP, and that any unexpended amounts will revert to UNDP.

Sincerely yours,

R. W. Van Wagenen
Training Officer
Office of the Director - Projects

cc: Messrs. King
Dominguez

RWW:ssp

UNITED NATIONS



NATIONS UNIES

NACIONES UNIDAS

CASILLA 686
Avenida Arce No. 2419
LA PAZ—BOLIVIA

rcq

Cables: "UNDEVPRO" La Paz

Nos. "TELEX"
All America (ITT): 3560030
West Coast BX5245

Teléfonos: 52448 - 23279 - 23403 - 50415

Referencia: FCS-IBRD/1598

11 June 1971

Dear Mr. Morra,

Please refer to your letter of 9 April 1971 concerning Capt. Galindo Claros' fellowship and the US\$ 4,000 available for training abroad under the UNDP Transport Survey.

..... As requested in your letter, we have discussed this matter with the competent authorities and have received a letter from the Ministry of Planning and Co-ordination proposing that this amount be used to defray travel expenses for three high officials to Mexico and Chile, on an observation tour which is explained in the attached copy of the letter.

I am copying this letter and enclosure to UNDP for information.

I look forward to receiving your comments regarding this matter.

Yours sincerely,

Juan Pascoe S.
Resident Representative

Mr. Giuseppe A. Morra
Training Adviser's Office
Office of the Director - Projects
International Bank for Reconstruction and Development
1818 H. Street, N.W.
Washington, D.C.-

MINISTERIO DE PLANIFICACION Y COORDINACION
BOLIVIA

La Paz, mayo 28 de 1971

Al señor

Don Juan Pascoe S.
Encargado de la Misión de MM.UU.

Presente

Estimado señor Pascoe:

En respuesta a la nota de esa Misión PCS-IRMD/961 de 14 de abril, tengo a bien manifestar que el Gobierno de Bolivia tiene interés en utilizar el saldo disponible para becas comprendidas en el Proyecto del Fondo Especial: "Estudio Integral de Transportes en Bolivia", en el curso del presente año.

Los fondos remanentes deseamos utilizar en un programa especialmente preparado para que tres ejecutivos de transportes visiten entidades estatales de transporte en Chile y México durante 30 días, con el objeto de discutir problemas relacionados con la planificación de los transportes.

El alcance de las visitas será, en Chile:

1. Discusión de los problemas de libre tránsito.
2. Exámen de los proyectos de carreteras y mejoramiento ferroviario de Bolivia al Pacífico.
3. Exámen del manejo de carga en tránsito y uso de sistemas unificados de carga (containers).
4. Visita al departamento de transportes de CEPAL y cambio de ideas sobre el Estudio Integral de Transportes en Bolivia.

En México:

- Intercambio de opiniones sobre las perspectivas de ferrocarriles y carreteras en el largo plazo.
- Exposición por parte de los técnicos bolivianos de los problemas de transporte en Bolivia. Discusión.

Jim file Bol 15

Mr. B. Chadenet

June 11, 1971

J. C. Lithgow

DMJM Cost Increase

1. Following the request from Hugh Scott for a reconciliation of the claim for an extra \$150,000 asked by DMJM, the following extracts from the original and amended contracts indicate the actual increase allocated.

2. It is not possible to reconcile exactly to \$150,000 because the final amount of the extra was negotiated and embodied in the new contract agreement as set out below.

Summary of detailed costs in original contract dated February 10, 1967:

<u>Foreign costs</u>	US\$
Services in Bolivia	527,410.20
Services in home offices	105,082.20
Travel to and from Bolivia	60,100.00
Other direct costs	28,560.00
	<u>721,152.40</u>
Ceiling amount of contract	785,000
<u>Local currency</u>	102,575
Ceiling amount of contract	110,000

3. On November 27, 1967, DMJM made an application for an additional \$151,700 made up as follows:

Local data collection	15,000
Counterpart personal expenses	6,700
Extension of accounting and statistic services	87,000
Collection of wet season traffic data	43,000
	<u>151,700</u>

4. It will be noted that there is a difference of about \$63,000 between the summary of detailed costs and the ceiling of foreign costs in para 2 above. Part of this was already disbursed to the consultants through approval of invoices and covered part of the costs included in the claim. The balance was then available and was used to supplement additional funds in the amount of \$112,000 in foreign and local costs which were added to the contract ceiling. Following negotiation with DMJM in which it was agreed to extend the contract by an amendment signed on February 5, 1968, a new ceiling of foreign costs \$890,000, local costs \$117,000 was established.

June 11, 1971

5. The actual increase over the original DMJM estimate of costs, therefore amounts to:

US\$

February 10, 1967 original estimate in contract	Foreign	721,152
	Local	<u>102,575</u>
		823,727

February 5, 1968 amended ceiling amount	Foreign	890,000
	Local	<u>117,000</u>
		<u>1,007,000</u>

Increase	173,273
	=====

6. As the total amount in the amended contract was disbursed, the actual increase granted to DMJM was in fact greater than their claim for \$150,000.

JCL:at

cc: Messrs. #Scott, F. Dominguez, Riley

UNITED NATIONS
DEVELOPMENT
PROGRAMME



Distr.
RESTRICTED
DP/SF/INF.FR/49
3 May 1971

BOL-15

ENGLISH ONLY

UNDP (SPECIAL FUND) PROJECT REPORTS

1/
Reports derestricted: March 1970 to March 1971

The following reports, which have been derestricted by the Governments concerned, may now be obtained from the sources listed below. Kindly note that University Microfilms pricing structure is: Positive 35mm microfilm - 1.3¢ per page; 4x6 microfiche (60 page) - 1.3¢ per page; Xerographic hard-copy - 5.0¢ per page; Minimum charge for any item by any method - \$4.00.

1. ARGENTINA - Investigation of Porphyry Copper Type Mineralization in the Provinces of Mendoza, Neuquén and San Juan
(ARG-23). New York, 1970. English and Spanish. (DP/SF/INF/31-ARGENTINA).

Executing Agency: United Nations. The report may be purchased from University Microfilms, 300 N. Zeeb Road, Ann Arbor, Michigan 48106.1/

2. BOLIVIA - Integrated Transport Survey
(BOL-15). Consultants' Final Report: Bolivia: Transport Survey, prepared by Daniel, Mann, Johnson & Mendenhall, The Stanford Research Institute, and Alan M. Voorhees & Associates, Inc., La Paz, Bolivia, May 1968. 8 volumes in 13 books.

Executing Agency: International Bank for Reconstruction and Development. The report may be purchased from University Microfilms, 300 N. Zeeb Road, Ann Arbor, Michigan 48106.

3. CHINA - Metal Industries Development Centre, Kcahsiung
(ILO/UNDP/SF/CHINA 8/R2). Geneva, 1969. 1 volume.

Executing Agency: International Labour Organisation. The report may be obtained from: Public Information Branch, ILO, 154 rue de Lausanne, Geneva, Switzerland.

1/ Circular DP/SF/INF.FR/48 listing reports derestricted during the period September 1969 - February 1970, was issued on 27 February 1970.

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

Mr. Riley

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

our file

B-1 - 15

H. Scott.

From

Mr. Bucher
DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

May 11, 1971

Mr. John C. Lithgow
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

Subject: Bolivian Transportation Study
Request for Additional Reimbursement

Dear Mr. Lithgow:

We appreciate the opportunity to meet with you on Tuesday, May 11, 1971, to discuss DMJM's views regarding the problems encountered and additional work performed by DMJM in connection with the Bolivian Transportation Study. By this letter, we will provide you with: (1) DMJM's purpose in continuing to pursue the World Bank's consideration of our request, and (2) a detailed discussion of the problems and additional services performed by DMJM, and (3) a discussion of significant points for consideration.

A. DMJM's Purpose:

DMJM's purpose for continuing to pursue the World Bank's consideration of the problems encountered and additional work performed by DMJM in connection with the Bolivian Transportation Study are two fold. First, and of paramount importance, is to ensure that DMJM continues to enjoy an excellent reputation in the minds and records of International and Domestic Clients which can only be accomplished by the Bank being convinced that indeed additional work was performed. Secondly, we feel that it is not equitable for DMJM and Alan M. Voorhees and Associates (AMV) to solely bear the financial loss incurred due to the problems encountered and additional work performed on account of conditions beyond our control, which conditions could not reasonably be anticipated.

I am afraid this has become active again with Mr. Wierzbowski's intervention. Could I talk to you about it, please?
High

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, F.A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

B. Bases of Request:

1. The principal bases for our request for additional compensation have heretofore been amply set forth for the Bank's consideration in the letter informally presented to the Bank at the January 31, 1969 meeting with the Bank, and in the letters of May 23, 1969 and July 30, 1969. A copy of each of these letters is attached as Attachments #1, #2, and #3, respectively, for your review. It is important to note that a comparison of the January 23, 1969, May 23 and July 30, 1969 letters reveals the following basic differences:
 - a. The January 23, 1969 letter ("draft") points out difficulties in the areas of counterpart personnel, office space and equipment, local currency and local support personnel. It points out that Bolivian Nationals actively attempted to interfere with the success and efficient conduct of the project. Further, the January 23, 1969 letter states that a material misrepresentation was made to the Consultants, and that indeed the G.O.B. and Bank knew the primary data was deficient and the degree of such deficiency. Generally, the January 23, 1969 letter sets forth a rather hard line stating the problems as factually as possible from DMJM's point of view.
 - b. The May 23, 1969 letter relates only the difficulty with the data and the added value or benefit received by the G.O.B., Bank and UNDP. All "hardline" or statements that might be considered embarrassing to the G.O.B. or Bank were removed.

7 The reason for the marked difference in the two approaches is that the Bank's representatives at the January 31, 1969 meeting found the "Hardline" statements offensive to the G.O.B. Further, and of major significance to DMJM, the Bank's representatives indicated that they would be prepared to go to the UNDP for additional funds on the basis of added value of the data resources. Since DMJM did not desire to unnecessarily embarrass the G.O.B. or the Bank so long as the purpose of the request was accomplished, DMJM thereafter undertook to base the request solely on the difficulties with data and the added value derived by G.O.B., the Bank and UNDP as a result of the extra,

work performed. To the best of DMJM's knowledge, the Bank has not approached the UNDP with the matter of additional funds for the added value of the data base.

2. In addition to the difficulties discussed in the January 23, 1969 and May 23, 1969 letters, there are the following:
 - a. The problem of collecting the basic data in Bolivia has been extensively discussed and reviewed in correspondence between the Consultant, the Bolivian Government, and the Bank. The overall reliability of the data, however, could not be evaluated until it was brought back to the United States and programmed into computers by both S.R.I. and AMV. This involved the manipulation, assimilation and combining of data which had been prepared and developed by the Consultant in Bolivia and other data which the Consultant accepted as valid and reliable from Bolivian sources; in particular, the railroad data.

The inconsistencies began to appear when the traffic O & D information for the various combination of modes for specific corridors were analyzed. The results indicated traffic in some instances far in excess of actual national production and consumption. This required endless computer re-runs with verification of inputs to correct statistical deficiencies that were given as valid information from railroads and other official records.

It should be pointed out that even the team of Bolivian engineers and counterparts who came to the United States to monitor the contract progress in the final report preparation phase could not resolve these deficiencies. Since the transport system of Bolivia consists essentially of the railroads and highways operating in the same corridors, the problem was really to allocate the traffic movement to these two modes in a manner that would provide the best return on the proposed transport investment. With the data deficiencies and inconsistencies that were encountered, this analysis took much longer than was anticipated in the staffing and manpower projections in the home offices.

b. Other difficulties encountered which contributed to increased cost of performing the Study and which could not have been reasonably anticipated, include the following:

- i. While it is not uncommon to encounter political unrest in most countries in South America, certainly the Consultants could not have anticipated Guerrilla war to be encountered. The fighting was not in the major cities, but on several occasions, the Consultants were prevented from traveling to an area, in their research activities, due to Guerrilla activities. Further, in the City of LaPaz, the headquarters city of the Consultants, substantial time was lost by the staff on account of endless political rallies. On the occasion of each rally, it was necessary for the counterpart staff to attend, engage in parades or political agitation of one kind or another. The Project Coordinator was dismissed early in the project "as a Communist who disliked Americans" (direct quote from Minister Bonifaz). It was also evident that there was a general anti-American atmosphere because the Bolivians stated that they had wanted a European combination to do this study because of their better understanding of the problems of underdeveloped countries. The Project Coordinator specifically mentioned the firm of NEDECO as the one that they preferred.

Progress of the work was often obstructed by frequent changes in key counterpart personnel and it was quite apparent that many counterpart personnel were selected on the basis of party affiliation rather than actual ability to perform any useful or productive work.

- ii. Currency: During the entire contract period there was always a problem of the Bolivians providing local currency in the amounts and at the times required by the contract and the Consultant had to use his own funds for local expenses. The Bolivians did not actually supply any local currency until May 2, 1967.

*All overruns
in Bolivia
have been
paid for*

*VNDP
paid
some of
them*

Office Space: Not provided until one month after the first personnel arrived and even then the offices were being painted and re-modeled for another two months causing considerable inconveniences.

Utilities: No water, electricity, heat or phones for intermittent periods during the life of the contract.

Vehicles: The first of the five vehicles was delivered on April 19th and the last one on June 22nd. This was in direct violation of the terms of the contract.

It is clear from the foregoing that it was impossible for the Consultants to operate with efficiency without prompt receipt of these essential elements of logistics. Further, the exhaustive time expended by the Consultants' staff endeavoring to work with the G. O. B. to obtain the logistics, likewise, detracted from a productive efforts. The problem of obtaining local currency was so bad that at one time the Consultant advance Bolivian currency from its account to the G. O. B. , so that the payroll for the local staff could be paid.

C. Summary of Significant Points:

We feel it is important to review all aspects of this matter in detail, but we feel that the following points particularly bear on the issue:

1. Proposal and Contract Negotiations:

- a. The proposal for the study submitted clearly questioned the existence and adequacy of certain elements of the Bolivian data base.
- b. During the three days of negotiations with the Bank, the adequacy of the data base was discussed at length. Ultimately the Bank convinced the Consultants that the necessary data was available and adequate for the needs of the study.

All
Costs in
Bolivia
were PAID

- c. Nothing contained in the final contract requires the Consultants to develop data -- the Consultants were only responsible for the analysis and interpretation of the data received.
- d. There is reasonable evidence to indicate that at the time of the negotiation, the Bank and G.O.B. indeed knew that the data base was inadequate. This evidence is clearly admitted by the G.O.B. in its report of February, 1970 regarding "additional costs in the Transportation Survey" wherein it states:

"The Statistical information available in the country at the time of the contract was deficient, and this fact was a matter of preoccupation for the Ministry of Coordination and Planning. In 1965, the issue was extensively discussed before presenting the application for Technical Assistance to the UNDP and the conclusion reached was that it was possible to perform a comprehensive transport survey based on the available information The Ministry of Coordination and Planning explained its apprehension in letters addressed to Mr. David Knox of the World Bank and in every occasion when it became necessary this situation was pointed out either to those interested in the project or involved in its implementation."

- e. The Consultants were advised that if additional money is required, it could be made available.

2. Amendment No. 1:

A great deal of confusion seems to prevail in Bank and G.O.B. in connection with Amendment No. 1 to the contract. The following statements should eliminate the confusion over this issue:

- a. The following events are pertinent to the development of Amendment No. 1:
 - Discussions concerning the need for an amendment to the contract commenced in early November, 1967.

- During the period December 12th through the 18th, 1967, DMJM presented its proposed amount for Amendment No. 1 with the Bank and the same was negotiated and agreed upon. The agreed amount was \$ 875,000 U.S. and the equivalent of \$ 130,000 in pesos.
- During the later part of December, the Bank submitted the agreed amount to the UNDP for approval.
- Early January the UNDP apparently approved the proposed amount.
- Late December or early January, DMJM determined that the proposed amount for Amendment No. 1 would not be sufficient and so advised the Bank.
- The Bank was disturbed by this new information and agreed to meet in Los Angeles to discuss the problems.
- On January 26, 1968, a meeting was held in Los Angeles which was attended by the following individuals:

DMJM

B. Shope
D. Walsh
F. Isgrig

AMV

C. Barnes
L. Crump

SRI

A. Beggs
H. Bridgeman
K. Clare
A. Khourie

IBRD

P. Englemann

- b. Attached is a copy of the Agency "BOTRAN Meeting, January 26, 1968" (Attachment No. 4). From review of the Agenda, it is clear that the primary purpose of the meeting was to advise the Bank of the problems theretofore encountered and to discuss Amendment No. 1 and Amendment No. 2. (It must be remembered

that as of January 26, the Consultants had only been back in the United States slightly over one month, including several holidays, and had not yet encountered the problems of processing the data and the inconsistencies therein.)

- c. The possibility of an Amendment No. 2 was then discussed. The Consultants pointed out that \$ 105,000 just was not sufficient. The Bank stated that it had just obtained the UNDP approval of the \$ 105,000, that it would be embarrassing for the Bank to return so soon for more money, and that it, therefore, did not hold out hope for further funds. With that, the Consultants indicated that they would account for the overrun amount and submit a request later for an additional increase.

3. Alternative Consultants Actions:

- a. On account of the G.O.B.'s several contract breaches, the Consultants had several alternative courses of action that could have been taken throughout the conduct of the Study:
 - (1) When the G.O.B. first failed to provide logistic support, the Consultants could have refused to continue performance and returned the staff to the United States. This would have results in the expenditure by the Bank of approximately \$ 150,000 with nothing to show for it but invoices.
 - (2) At the time it was evident that the G.O.B. could not provide good and sufficient data, again, the Consultants could have discontinued performance, returned the staff to the United States and provided nothing to the Bank or G.O.B. by way of technical input. This course would have resulted in nothing more than invoices to the Bank of approximately \$ 350,000.
 - (3) The Consultants could have accepted inadequate data and prepared a Final Report based thereon. This would have involved an expenditure by the Bank of approximately \$ 785,000 and provided nothing more than a voluminous printed report with significant erroneous information of no value to the Bank, G.O.B. or UNDP.

- (4) At the time of executing Amendment No. 1, the Consultants could have refused to continue with the Study if they were not guaranteed total payment. At this point in time, the Bank and G. O. B. would have received a voluminous amount of uncorrelated data, field notes, and computer tapes along with an invoice for approximately \$ 675,000.

It has been suggested that the Consultants could have adjusted the level of effort to be expended after January 26th in a manner such that a reasonable report could have been produced while remaining within the then established maximum. However, such adjustment was impossible if the objective of the entire effort was to be accomplished, that is, to provide a transportation investment program. (Even a minimum effort as planned in January 1968 showed an anticipated deficit of \$ 83,000 to complete, and the additional deficiencies in the data was not known at that time.)

- (5) When the total of the Consultants' invoices equaled the amount of the contract (\$890,000 U.S.), the Consultants could have refused to provide the Bank and G. O. B. with even draft reports unless and until the Consultants were guaranteed full payment.

- b. With all of these possible courses of action, why did the Consultants not take advantage of them. Anyone of the alternatives, from the Consultants' point of view, was financially better than risking \$ 300,000 of the Consultants' funds. The reasons the Consultants undertook to complete the Study, risking the financial loss are as follows:

- (1) At the original negotiations, the Bank made it clear that if additional money was necessary, it would be made available.
- (2) The difficulties and problems encountered always appeared to be at an end and therefore, the Consultants had already expended the necessary funds. Unfortunately, new difficulties



I don't believe this at all. Anyone who knew anything in 1968 would never have said this - at least without qualification

and problems beyond the control of the Consultants continually developed and the expenditures continued to mount. Frankly, had it been anticipated that the overrun expenditures would even approach \$ 300,000, the actions on the part of the Consultants might have been quite different.

(3) The Consultants look upon themselves as professional organizations dedicated to completing their assignments in a competent and thorough manner. Anyone of the cited alternatives would be repugnant to the standards of either DMJM or AMV.

NOT
SRI

(4) Recognizing that the agencies procuring services such as those offered by the Consultants, represents a small community, it is clear, had the Consultants taken the actions requested by the alternatives, that such action would have resulted in embarrassment to the Bank, G.O.B. and UNDP which, in turn, would have caused sustained repercussions to the Consultants.

IT SURE
WOULD

(5) The Consultants felt that they would be treated in a fair and equitable manner, that all aspects of the problems and difficulties would be considered, and that the Bank would recognize that the problems and difficulties were due to the failures of other than the Consultants.

In the May 22, 1969 meeting, DMJM made it clear that it sincerely desired resolution of this matter without the necessity of an arbitration or other proceeding, and we assure you that we continue to maintain that desire.

We are confident that after an impartial review of all aspects of this matter, including the information provided above and in the Attachments to this letter, the Bank will agree that it is totally unreasonable for DMJM and AMV to be the only parties to suffer on account of the Bolivian Transportation Study.

We stand ready to discuss the entire matter in detail and provide whatever additional information you may require.

Very truly yours,

DANIEL, MANN, JOHNSON, & MENDENHALL

Bill E. Nelson
Bill E. Nelson

cc: Messrs. Riley & Skillings

*our file
Bol - 15*

November 19, 1971

Mr. Gabriel Valdes S.
Assistant Administrator and Director
Regional Bureau for Latin America
United Nations Development Programme
United Nations
New York, N. Y. 10017

Dear Mr. Valdes:

We enclose for your signature six copies of Adjustment Advice No. 2 for the Special Fund Project Bolivia - Integrated Transport Survey. This advice revises the Plan of Operation to reflect the final statement of expenditure for this project.

We also enclose six copies of the Spanish version of the above Adjustment Advice for your signature.

Sincerely yours,

K. Georg Gabriel
Controller

Enclosures

cc: Messrs. ~~Riley~~, R. Jones, Rutland, Gray
Duarte, Carrero
Miss Lennon

FILE: UNDP - Adjustment Advices
UNDP - Bolivia - Integrated Transport Survey

HLanger/gjm

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

✓ BOLIVIA

Integrated Transport Survey

Adjustment Advice No. ✓ 2

This Plan of Operation previously adjusted according to Adjustment Advice No. ✓ 1 has been further adjusted as follows:

- 1. The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised to reflect the final statement of expenditure for this project.

Signed: _____

Date: _____

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

NR
\$1

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION

(in US Dollars)

	Total Project Costs	Expenditures					
		1966	1967	1968	1969	1970	1971
Experts	* \$ 33,550	\$ -	\$ -	\$ -	\$ 27,234	\$ 6,316	\$ -
Fellowships	* 46,700	-	-	14,509	19,826	5,689	6,676
Equipment	x -	-	-	-	-	-	-
Sub - Contracts	* 890,000	-	463,659	406,617	6,356	-	13,368
Miscellaneous	-	-	-	-	-	-	-
<u>Total Project Costs</u>	* \$270,250 _x	\$ -	\$463,659 _x	\$421,126 _x	\$ 53,416 _x	\$ 12,005 _x	\$ 20,044 _x
Agency Overhead Costs	* 10,685	1,114	3,308	3,298	2,310	187	468
Direct Costs	* 2,863	2,690	-	-	173	-	-
<u>Total Special Fund Allocation</u>	* \$983,798 _x	\$ 3,804 _x	\$466,967 _x	\$424,424 _x	\$ 55,899 _x	\$ 12,192 _x	\$ 20,512 _x

Project Symbol: BOL 15

Code No. 737

Agency: IBRD

207

PROGRAMA DE DESARROLLO DE LAS NACIONES UNIDAS

(FONDO ESPECIAL)

PLAN DE OPERACION

BOLIVIA

Estudio del Transporte Integral

Aviso de Ajuste No. 2

Este Plan de Operaciones previamente ajustado de acuerdo con el aviso de ajuste número 1, ha sido nuevamente ajustado como sigue:

1. El Adjunto Apéndice I del Plan de Gastos - Apropiación del Fondo Especial ha sido revisado para reflejar el estado final de gastos de este proyecto.

Firmado: _____

Fecha: _____

PROGRAMA DE DESARROLLO DE LAS NACIONES UNIDAS

(FONDO ESPECIAL)

País: Bolivia

Nombre del proyecto: Estudio del Transporte Integral

APENDICE I
PLAN DE GASTOS
(en dolares)

	Costo Total del Proyecto	Gastos					
		1966	1967	1968	1969	1970	1971
Expertos	× \$ 33,550	\$ -	\$ -	\$ -	\$ 27,234	\$ 6,316	\$ -
Becas	× 46,700	-	-	14,509	19,826	5,689	6,676
Equipo	-	-	-	-	-	-	-
Sub-Contratos	× 890,000	-	463,659	406,617	6,356	-	13,368
Miscelaneos	-	-	-	-	-	-	-
<u>Costo Total del Proyecto</u>	× \$ 970,250	\$ -	\$ 463,659	\$ 421,126	\$ 53,416	\$ 12,005	\$ 20,044
Gastos generales de la Agencia	× 10,685	1,114	3,308	3,298	2,310	187	468
Costo Directo	× 2,863	2,690	-	-	173	-	-
<u>Apropiacion Total del Fondo Especial</u>	× \$ 983,798	\$ 3,804	\$ 466,967	\$ 424,424	\$ 55,899	\$ 12,192	\$ 20,512

Identificación del Proyecto: BOL 15

Código No. 737

Agencia: BIRF

27

on file

Miss M. Lennon/Mr. J. Duarte

November 8, 1971

Robert Jones

UNDP - Bolivia Transport Survey (BOL15)

Disbursements under the Sub-Contracts and Experts categories of the Plan of Expenditure have been completed. A balance of \$6,369.32 remains to be disbursed under Fellowships.

In accordance with UNDP procedures will you please arrange to submit the final adjustment advice to them making provision, however, to retain the availability of \$6,369.32 for further disbursements on account of fellowships expenditures.

Would you please advise us as to what account fellowship expenditures should be charged once the final advice is effected.

RJones/cdf

cc: Mr. V. Riley ✓

*Conf.
Bol - 15*

December 15, 1971

Mr. Gabriel Valdes S.
Assistant Administrator and Director
Regional Bureau for Latin America
United Nations Development Programme
United Nations
New York, N. Y. 10017

Dear Mr. Valdes:

Enclosed are fifteen conformed copies of the
Adjustment Advice for the Special Fund Project Bolivia -
Integrated Transport Survey.

Sincerely yours,

Victor C. Chang
Deputy Controller

Enclosures

cc: Messrs. Riley, R. Jones, Rutland, Gray
Duarte, Carrero
Miss Lennon

HLanger/mds

File: UNDP - Adjustment Advices
UNDP - Bolivia - Integrated Transport Survey

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA

Integrated Transport Survey

Adjustment Advice No. 2

This Plan of Operation previously adjusted according to Adjustment Advice No. 1 has been further adjusted as follows:

- 1. The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised to reflect the final statement of expenditure for this project.

Signed: *Gabriel Valdes S.* GABRIEL VALDES S.

Date: 6 December 1971

UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

CONFORMED COPY

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION

(in US Dollars)

	Total Project Costs	Expenditures					
		1966	1967	1968	1969	1970	1971
Experts	\$ 33,550	\$ -	\$ -	\$ -	\$ 27,234	\$ 6,316	\$ -
Fellowships	46,700	-	-	14,509	19,826	5,689	6,676
Equipment	-	-	-	-	-	-	-
Sub - Contracts	890,000	-	463,659	406,617	6,356	-	13,368
Miscellaneous	-	-	-	-	-	-	-
<u>Total Project Costs</u>	\$270,250	\$ -	\$463,659	\$421,126	\$ 53,416	\$ 12,005	\$ 20,044
Agency Overhead Cost	10,685	1,114	3,308	3,298	2,310	187	468
Direct Costs	2,863	2,690	-	-	173	-	-
<u>Total Special Fund Allocation</u>	\$983,798	\$ 3,804	\$466,967	\$424,424	\$ 55,899	\$ 12,192	\$ 20,512

Project Symbol: BOL 15

Code No. 737

Agency: IBRD

CONFORMED COPY

File: DP/SF/310/ BOL 15

DP/SF/214/ BOL 15

FORM A = Adjustment Advice Transmittal Memorandum

To: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Country: BOLIVIA Date: 6 December 1971

Project Title: INTEGRATED TRANSPORT SURVEY

Subject: Adjustment Advice No: 2 Dated: 6 December 1971

.... Enclosed is one signed copy of the above-mentioned Adjustment Advice. A second signed copy has been despatched to the Government and the third copy has been retained by the UNDP. Please despatch fifteen conformed copies of this Adjustment Advice to UNDP.

A revised allocation, as necessary, will be issued in accordance with this Adjustment Advice.

Handwritten:
Vandenberg
Exam
DP
original
12

DEC 9 1971

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA

Integrated Transport Survey

Adjustment Advice No. 2

This Plan of Operation previously adjusted according to Adjustment Advice No. 1 has been further adjusted as follows:

- 1. The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised to reflect the final statement of expenditure for this project.

Signed: GABRIEL VALDES S.

Date: 6 December 1971

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA

Integrated Transport Survey

Adjustment Advice No. 2

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Signed: GABRIEL VALDES S.

Date: 6 December 1971

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION

(in US Dollars)

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<u>Total Special Fund Allocation</u>	\$983,798	\$ 3,804	\$466,967	\$424,424	\$ 55,899	\$ 12,192	\$ 20,512

Project Symbol: BOL 15

Code No. 737

Agency: IBRD

PROGRAMA DE DESARROLLO DE LAS NACIONES UNIDAS

(FONDO ESPECIAL)

PLAN DE OPERACION

BOLIVIA

Estudio del Transporte Integral

Aviso de Ajuste No. 2

Este Plan de Operaciones previamente ajustado de acuerdo con el aviso de ajuste número 1, ha sido nuevamente ajustado como sigue:

- 1. El Adjunto Apéndice I del Plan de Gastos - Apropiación del Fondo Especial ha sido revisado para reflejar el estado final de gastos de este proyecto.

Firmado: GABRIEL VALDES S.

Fecha: 6 de diciembre de 1971

PROGRAMA DE DESARROLLO DE LAS NACIONES UNIDAS

(FONDO ESPECIAL)

Pais: Bolivia

Nombre del proyecto: Estudio del Transporte Integral

APENDICE I

PLAN DE GASTOS

(en dolares)

	Costo Total del Proyecto	Gastos					
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Miscelaneos	-	-	-	-	-	-	-
<u>Costo Total del Proyecto</u>	\$970,250	\$ -	\$463,659	\$421,126	\$53,416	\$12,005	\$20,044
Gastos generales de la Agencia	10,685	1,114	3,308	3,298	2,310	187	468
Costo Directo	2,863	2,690	-	-	173	-	-
<u>Apropiación Total del Fondo Especial</u>	\$983,798	\$3,804	\$466,967	\$424,424	\$55,899	\$12,192	\$20,512

Identificación del Proyecto: BOL 15

Codigo No. 737

Agencia: BIRF

OFFICE MEMORANDUM

TO: Mr. John C. Lithgow

DATE: April 16, 1971

FROM: B. Chadenet *BChadenet*

SUBJECT: Telephone Conversation with Mr. Wieczorowski
following our meeting on April 9 with
Messrs. Sven B. Svendsen and I. F. Mendenhall

Mr. Wieczorowski telephoned me on Monday, April 12, to follow up on our meeting of the preceding Friday. He wanted to know more about the "legal bar" against DMJM, and how we intended to solve the problem. He indicated "he was not terribly desirous to determine who is right and who is wrong", but would rather examine "what device could solve the problem".

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BChadenet:jfh
c.c. Messrs. Knox/Dominguez
Engelmann/Finne
Scott

Mr. John C. Lithgow

April 16, 1971

C. Finne

Bolivia Transport Survey: Meeting Organized by
Mr. Wieczorowski between Bank Staff and DMJM Management
about Their \$300,000 Claim

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1. They felt that they had a legitimate claim for at least some compensation for the expenditures they claimed to have been incurred in excess of the contract value. (They mentioned during the discussion half of the \$300,000.)
2. They felt that the Bank staff who had handled the case had made up their minds firmly that no additional payment was justified and asked whether the Bank had a review board to which they could appeal. They mentioned that this was normal practice with U.S. Government organizations, such as the Navy.

Mr. Chadenet replied that as he saw it, the obvious avenue open to DMJM was to go to arbitration. Mr. Chadenet did not react to the proposal for a review board but he stressed that the Bank certainly had an open mind and would always be ready to review on its merits any additional representation or information DMJM would like to present. In addition, he offered to have a senior staff member of his office, Mr. Lithgow, who had not had any previous connection with it, to review the case informally and report the results to him.

No specific conclusions were reached at the meeting but it was understood that DMJM would consider what further action they might take and inform the Bank accordingly.

cc: Messrs. Chadenet
Dominguez
Scott

CF/agk



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 04/18/1971	Document Type Letter			
Correspondents / Participants WIECZOROWSKI, Robert E D. Chadenet				
Subject / Title Bolivia Transport Survey				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

ROUTING SLIP

Date

April 23, 1971

NAME

ROOM NO.

~~Mr. Demuth~~

1. VJR

3. return to VJR

sample BOL-15

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Sorry to send you
so late these copies

Bl

Ap 22

From

B. Chadenet

Mr. R. E. Wlaczorowski

April 24, 1971

B. Chadenet *B. Chadenet*

Bolivia Transport Survey -
Daniel, Mann, Johnson and Mendenhall Contract

Following our meeting of last Friday, April 9, I thought it would be useful for you to have the following summary of the Bolivia Transport Survey case and, as I promised you, answers to the questions about the invitations to Daniel, Mann, Johnson and Mendenhall.

1. The contract for consulting services was signed February 10, 1967, with Daniel, Mann, Johnson and Mendenhall of Los Angeles who in turn sub-contracted part of the work to Alan M. Voorhaes & Associates and Stanford Research Institute. The consultant's proposal was in part based on information obtained during a visit to La Paz during which available local data and support were reviewed. The contract provided for payments of a maximum of \$785,000 in foreign exchange and \$110,000 in local currency.
2. Field work was completed by the end of 1967 (except for a small amount of complementary work). After discussions with the Bank and Government it was agreed that the drafting of the final report should be done in the consultant's home offices with the participation of four members of Bolivian counterpart staff, rather than in Bolivia as initially planned.
3. Discussions on this change and an amendment to the contract to provide for additional costs (extension of services of an accountant, wet season traffic count and collecting of statistical data) took place over the last three months of 1967. At a meeting in Los Angeles on January 26, 1968, it was confirmed that the Bank would support increasing the contract ceiling from \$785,000 to \$890,000 in foreign exchange and from \$110,000 to \$116,000 in local currency. The amendment was signed on February 5, 1968.
4. During the January 26 meeting DMM advised that they foresaw the possibility of further cost increases of about \$100,000. They were told that the Bank was not prepared to support any further requests to the UNDP for additional funds and that the work had to be completed in accordance with the Terms of Reference agreed to by them. The Bank agreed to an extension for the completion of the Draft Final Report from April 10 to May 15, 1968.
5. The Draft Final Report was received in parts during the period August-December 1968 and there were substantial comments and criticisms by the Government and the Bank. The first reaction of the Government was quite negative and the Bank received information that the Government was considering rejection of the report. A Bank Mission to La Paz in March 1969 discussed and obtained agreement with the Government that the report should be accepted, subject to the consultants making major editorial revisions. The consultants agreed to the Summary Volume and the revised Final Report was completed in October 1969.

*Do we have
any penalty
provisions?*

April 14, 1971

6. In May 1969, DMJM reopened their request for additional payment. A meeting was held in the Bank on May 22 at which a detailed statement was presented to support a claim of \$302,000. The principal point made by the Bank was that the request for additional remuneration in the first instance would have to be directed to the Bolivian Government.
7. On July 30, 1969, a revised statement was sent by DMJM both to the Bank and the Government. On March 8, 1970, the Government sent the Bank a copy of an extensive report on the claim made by DMJM and informed the Bank that the Government had decided not to authorize any payment in excess of those provided for in the contract as amended on February 8, 1968.
8. The Bank has not had any information as to whether DMJM was considering any further action, legal or otherwise, in connection with their claim. In preparing lists of consulting firms to be invited to submit proposals for UNDP financed studies, we have discussed whether DMJM should be considered. Because we considered the cost overruns to have been the result of inefficient management on the part of DMJM and this might have to be proved in any arbitration in connection with the claim, the Bank's legal department has advised that it would be prudent to postpone for the time being a possible invitation to DMJM - this applies specifically to invitations for proposals by the Bank - we have not, nor have we considered any action which could influence the initiative of a Bank borrower in considering the use of DMJM's services.
9. For your personal and confidential information, I attach a copy of a Bank memorandum dated January 29, 1968.

Attachment

Cleared with and cc: Mr. H. Scott
cc: Mr. F. Dominguez

CF/ugk

Mr. John C. Lithgow

April 16, 1971

C. Finne

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No specific conclusions were reached at the meeting but it was understood that DMJM would consider what further action they might take and inform the Bank accordingly.

cc: Messrs. Chadenet
Dominguez
Scott

CF/agk

OFFICE MEMORANDUM

TO: Mr. John C. Lithgow

DATE: April 16, 1971

FROM: B. Chadenet *B Chadenet*

SUBJECT: Telephone Conversation with Mr. Wieczorowski
following our meeting on April 9 with
Messrs. Sven B. Svendsen and I. F. Mendenhall

Mr. Wieczorowski telephoned me on Monday, April 12, to follow up on our meeting of the preceding Friday. He wanted to know more about the "legal bar" against DMJM, and how we intended to solve the problem. He indicated "he was not terribly desirous to determine who is right and who is wrong", but would rather examine "what device could solve the problem".

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- a) Hewould like to explore more fully the "legal bar".
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BChadenet:jfh
c.c. Messrs. Knox/Dominguez
Engelmann/Finne
Scott

April 14, 1971

6. In May 1969, DIMI reopened their request for additional payment. A meeting was held in the Bank on May 22 at which a detailed statement was presented to support a claim of \$302,000. The principal point made by the Bank was that the request for additional remuneration in the first instance would have to be directed to the Bolivian Government.

7. On July 30, 1969, a revised statement was sent by DIMI both to the Bank and the Government. On March 8, 1970, the Government sent the Bank a copy of an extensive report on the claim made by DIMI and informed the Bank that the Government had decided not to authorize any payment in excess of those provided for in the contract as amended on February 8, 1968.

8. The Bank has not had any information as to whether DIMI was considering any further action, legal or otherwise, in connection with their claim. In preparing lists of consulting firms to be invited to submit proposals for UNDP financed studies, we have discussed whether DIMI should be considered. Because we considered the cost overruns to have been the result of inefficient management on the part of DIMI and this might have to be proved in any arbitration in connection with the claim, the Bank's legal department has advised that it would be prudent to postpone for the time being a possible invitation to DIMI - this applies specifically to invitations for proposals by the Bank - we have not, nor have we considered any action which could influence the initiative of a Bank borrower in considering the use of DIMI's services.

9. For your personal and confidential information, I attach a copy of a Bank memorandum dated January 29, 1968.

Attachment

Cleared with and cc: Mr. H. Scott
cc: Mr. F. Dominguez

CF/ugk

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310(2)BOL-15
DP/SF/310 BOL-15

2 April 1971

Dear Mr. Demuth,

Subject: BOLIVIA - Integrated Transport Study (BOL-15)

I refer to Mr. Riley's letter of 2 March 1971 forwarding four copies of the Bank's confidential Evaluation Report on this project.

As more than one year has elapsed since project completion and submission of the Bank's report, we do not consider it appropriate for the Administrator to address formal communication to the Government as is normally the case. Our Resident Representative has been informed accordingly.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rajendra Coomaraswamy'.

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington, D. C. 20433

Dominguez 2
Killings
Sassoon
DSD

APR 8 1971

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 (2) BOL-15
DP/SF/310 BOL-15

18 March 1971

Dear Mr. Demuth,

Subject: BOLIVIA - Integrated Transport Survey (BOL-15)

.....
We have just been informed by our Resident Representative in Bolivia that the Government has agreed to derestriction of the consultants' Final Report on the above project. A copy of the communication from the Government is enclosed for your records.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rajendra Coomaraswamy'.

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

*Dominguez
Spelling
QSD*

MAR 26 1971



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 03/02/1971	Document Type Letter			
Correspondents / Participants Coomarasmawy, Rajendra, Assistant Administrator and Director, Bureau of External Relations, UNDP Riley, Vincent, Chief Technical Assistance Division				
Subject / Title Bolivia Integrated Transport Survey				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

our file
Bol - 15

May 28, 1970

Mr. Alejandro Flores Zorrilla
United Nations Development Programme
Resident Representative in Mexico
Apartado Postal 6719
Mexico D.F.
Mexico

Dear Mr. Flores Zorrilla:

In connection with the fellowship program under the UNDP Bolivia Transport Survey we expect Mr. Reynaldo Nery to report for his first assignment in Mexico City about July 2, 1970. A copy of our letter to him outlining his program is attached.

We write to you to enlist your help in regard to the various payments to be made in Mexican currency in connection with this fellowship. If it is practical, we would request you to take care of such payments as itemized in the attached letter, i.e. per diem, local travel costs, tuition, book allowance, etc. We would arrange for any bills presented for payment to be forwarded to you for settlement.

Should such a procedure be initiated we presume that your recovery of payments made on our behalf would be by the I.O.V. method resulting in appropriate charges to our remittance account by your New York headquarters. It would be of assistance, then, if the notation "UNDP - Bolivia Transport Survey" could be shown on each I.O.V. The copy of the I.O.V. sent to the Bank should be to the attention of the undersigned.

We look forward to having your comments and suggestions on this matter.

Very truly yours,

Robert Jones
Chief, Special Programs Section
Administrative Expense Division

cc and cleared in substance with Mr. J. Morra

cc: Mr. V. Riley ✓

JUN 1 1970

BOL 15

April 10, 1970

Mr. Alberto J. Morales
Technical Assistance Recruitment Service
United Nations
New York 17, New York

Dear Mr. Morales:

This is to thank you for your note of April 2, 1970 whereby you sent us information copies of your cable to Mr. Schwarz in Bolivia and his reply. We are pleased that the matter has been settled satisfactorily.

Sincerely yours,

Getachew Abdi
Development Services Department

GAbdi/pme

cc: Mr. D. Johnson



Record Removal Notice

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Document Date 04/02/1970	Document Type Letter			
Correspondents / Participants To: Getachew, Abdi From: Alberto J. Morales				
Subject / Title Technical Assistance Recruitment Service				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
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UNATIONS

NEWYORK

95 MORALES FROM SCHWARZ YOUR 127 ACCEPT OFFER

STOP AS UNABLE TRAVEL THIS MONTH KINDLY REQUEST USE

INTITLEMENT JUNE MEDICAL UNDER WAY

UNDEVPRO

COLL 95 127

INCOMING CABLE

DATE AND TIME

OF CABLE: MARCH 30, 1970

LOG NO.: ITT TELEX / 30

TO: INTBAFRAD

FROM: LA PAZ

TEXT:

VAN DER MEER

REF CONTRACT WITH U N NEED TO INFORM YOU THAT U N OFFERS ME 40 PERCENT LESS
SALARY EARNED WITH WORLD BANK. BECAUSE DIFFICULT LIVING CONDITIONS IN THIS
ALTITUDE NOT INTERESTING TO ACCEPT THIS LOW SALARY. MY SITUATION VERY UN-
PLEASANT BECAUSE U N SHOULD HAVE TOLD ME ABOUT THIS LOW PAYMENT IN FEBRUARY
SO I COULD LOOK NEW EMPLOYMENT. I ASK YOU KINDLY TO MAKE ME THIS GREAT FAVOR
AND STUDY THIS QUESTION WITH U N AND SEE IF READJUSTMENT IS POSSIBLE. SEND
TO MR. MORALES CABLE TOO. IN NEGATIVE CASE I PREFER TO RETURN TO STATES IN
ACCORDANCE TO CONDITIONS STIPULATED IN MY CONTRACT WITH WORLD BANK. THANK-
ING FOR COOPERATION I REMAIN TRULY YOURS.

SCHWARZ

ROUTING

ACTION COPY:, TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Bank
3/30

Mr. Dominguez

Do you know why?

Cal

JAO

DP/SF/310 BOL 15

April 8, 1970

Dear Mr. Cohen:

1 A BOLIVIA: Transport Survey

Attached for your information are several documents received from the Government of Bolivia regarding the claim of the consultants, Daniel, Mann, Johnson, and Mendenhall, on the above project for additional payments for their services. I last spoke to you in May 1969 by telephone regarding this subject.

As you will see, the Government of Bolivia has rejected the claim of the consultants.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosures 4

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

VJR:cbh

cc: Mr. Skillings
Mr. van der Meer/Mr. Dominguez
Mr. Sassoon
Mr. Reamy

UNOFFICIAL TRANSLATION

DIRECCION NACIONAL DE COORDINACION Y PLANEAMIENTO

SECRETARIA TECNICA DE PLANIFICACION

LA PAZ - BOLIVIA

MAR 18 REC'D

March 8, 1970

Mr. Peter Engelmann
Chief, Pre-investment Services Division
Transportation Projects Department
International Bank for Reconstruction
and Development
1818 H Street N.W.
Washington D.C. 20433 - U.S.A.

Sir:

On February 24 I sent a cable notifying that the Government had reviewed DMJM's request that further payments be authorized for the Bolivia Transport Survey, and had decided not to authorize any payments to the Consulting Firm in excess of the maximum established in the Contract.

This decision was based on a report by the Coordinator of the Bolivia Transport Survey, a copy of which is attached.

The Coordinator's report has been officially accepted, and based on its recommendations, the Government officially informs you that it does not authorize any payments to DMJM in excess of the total amount indicated in the Contract of February 10, 1967, amended on February 8, 1968.

Sincerely yours,

Lic. Jose Ortiz Mercado
Minister of Planning



MAR 18 REC'D

DIRECCION NACIONAL DE COORDINACION Y PLANEAMIENTO
SECRETARIA TECNICA DE PLANIFICACION
LA PAZ - BOLIVIA

Cajón Postal 3116

Cables: "Sedepla"

Teléfonos: 22243 - 41355

Av. 20 de Octubre esq. F. Guachalla

369-70

Marzo 8, 1970.

MAR 16 1970

Project Dept. Correspondence

ANS'D BY

DATE

Señor

Peter Engelmann
Chief, Preinvestment Services Division
Transportation projecte Deptment
International Bank for Reconstruction
and Development
1818 H. Street, N.W.

Washington D.C. 20433, USA.-

Señor:

El 24 de febrero envié un cable notificando que el Gobierno había revisado el pedido de DMJM para que sean autorizados mayores desembolsos en el Estudio Integral de Transportes y que había decidido no autorizar pagos a la Empresa Consultora por encima del nivel máximo fijado por el Contrato.

Esta decisión se basa en el informe del Coordinador del Estudio Integral de Transportes, el mismo que tengo a bien enviar a usted junto con la presente carta.

El informe del Coordinador ha sido aceptado oficialmente y en base a sus recomendaciones el Gobierno notifica a usted, oficialmente, que no autoriza pagos a DMJM que excedan el monto total fijado en el Contrato de 10 de febrero de 1967, enmendado el 8 de febrero de 1968.

Con este motivo, lo saludo atentamente.

Jose Ortiz Mercado
JOSE ORTIZ MERCADO
MINISTRO DE PLANIFICACION

①
MAR 18 REC'D

C
O
P
Y

INCOMING CABLE

FEBRUARY 24, 1970 1608

ITT 42 / 25

ENGELMANN INTBAFRAD

LA PAZ

GOBIERNO HA REVISADO PEDIDO POR MAYORES EXPENDIOS EN ESTUDIO
TRANSPORTES. CONSIDERA NO EXISTIR RAZONES QUE JUSTIFIQUEN
MAYORES DESIMBOLSOS QUE LOS FIJADOS POR CONTRATO. ENVIARE
CARTA ESTA SEMANA ATTE

MACHICADO SUBSECRETARIO PLANIFICACION

cc: Mr. Skillings
Mr. van der Meer
Mr. Dominguez
Mr. H. M. Scott
Mr. J. Reamy

MAR 16 REC'D

BOL-15

March 11, 1970

Mr. Felix Schwarz
Casilla 726
La Paz, Bolivia

Re: BOLIVIA - Railroad Assistance

Dear Mr. Schwarz:

In answer to your letters concerning the extension of your contract, we have been in touch with the United Nations and, as indicated in our cable of March 6, a solution has been agreed upon by the Bank and UNDP. There was a question whether or not the extension of your stay in Bolivia should be made part of the forthcoming Railway Technical Assistance project or be handled as a separate contract. The latter solution was chosen to avoid an interruption in your services.

The UNDP has decided to contract with you directly, under their Technical Assistance Program. Taking into account your wishes concerning dates, the termination date of your contract with the Bank will be February 28, 1970 and you would become a U.N. employee on April 1, 1970.

Until we received your letter of February 25, 1970, we were not aware that you intended to work, without pay, during March 1970 to compensate for a month's vacation later in the year. This is a matter that you will now have to take up with the UNDP Resident Representative in La Paz, who will be administering your contract with UNDP.

I hope that this clarifies the situation.

Sincerely yours,

S. M. L. van der Meer
Chief of Pre-investment Services,
Aviation and Pipelines Division
Transportation Projects Department

FDominguez/zh

Cleared with and cc: Mr. Davis

cc: Sir Gordon Mackay

Messrs. Skillings, Riley, R. Jones, Jaycox

?
Good Luck!

BOL-15

DP/SF/310 BOL 15

March 6, 1970

Dear Mr. Van Heerden:

It was indeed pleasant to meet with you on February 4 to discuss continuation of the assignment of Mr. E. Felix Schwarz to the Bolivian Railways. Since UNDP had just agreed to finance this under the Technical Assistance Component, the matter seemed to be well in hand, and you indicated that the responsibility would now rest with the UN Technical Assistance and Recruitment Service to complete the necessary administrative arrangements.

In this connection I would like formally to bring to your attention three points which I mentioned during my visit:

1. Mr. Schwarz, in a letter to us dated February 11, stated that he would like the new contract period to begin from April 1, 1970. His contract with the Bank, under Special Fund project, BOL 15, expired February 28, but we were advised by the UNDP resident representative that Mr. Schwarz proposed to remain in Bolivia for the month of March, without contract.
2. Mr. Schwarz said he would like to take his vacation during June/July of this year when his daughter will be on her school vacation. Under the Bank contract Mr. Schwarz had an accumulated leave balance of twelve working days which he had not taken.
3. Mr. Schwarz also asked if possible that his new contract provide for more than one day of vacation for each month of assignment, the arrangement under which he had been working under his contract with the Bank. Specifically he sought the normal vacation time allowed under UN staff rules, and it is my understanding that you will be able to meet this request.

I would appreciate your bringing these points to the attention of the Technical Assistance and Recruitment Service. If I can be of further assistance, please do not hesitate to call.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Mr. Jan H. Van Heerden
Office of Technical Cooperation
United Nations
United Nations, New York 10017

VJR:cbh
cc: Messrs. Moini, Dominguez

Bol-15

MAR 9 REC'D

MURILLO

MARCH 6, 1970

FERREROL

IBF GOVT.

LAPAZ
BOLIVIA

RISURCAS MARCH THREE STOP FAVORABLE UNDP DECISION ON EXTENSION SCHWARTZ
SERVICES FROM APRIL FIRST AS REQUESTED BY SCHWARTZ EXPECTED TO BE
CONVEYED THROUGH UNDP REPRESENTATIVE IN LAPAZ WITHIN FEW DAYS REGARDS

SKILLINGS
INTRAFRAD

Robert F. Skillings
South America

Cleared & cc: Messrs. Riley
Dominguez
cc: Messrs. Jaycox/Bronfman

SAMMoini:dw

BOL-15

SCHWARZ
CASILLA 726
LA PAZ

MARCH 6, 1970

BOLIVIA

REF EXTENSION YOUR ASSISTANCE TO RAILWAYS STOP YOU WILL BE ENGAGED BY UN
STARTING APRIL FIRST WITH UNDP TECHNICAL ASSISTANCE FINANCING STOP YOUR
REQUEST ON VACATIONS WAS TRANSMITTED TO UN STOP PLEASE CONTACT UNDP
RESIDENT REPRESENTATIVE LAPAZ

VANDERMEER
INTBAFRAD

S.M.L. van der Meer
Chief, Pre-investment Services Division
Transportation Projects Department

Cleared in substance with and cc:

Mr. Riley ✓

FDominguez/zh

BOL-15

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 3, 1970 1729

LOG NO.:

RC 52/3

TO:

SKILLINGS INTBAFRAD

FROM:

LA PAZ

TEXT:

SU CABLE FEBRERO CUATRO. AGRADECERE NOTICIAS EXTENSION CONTRATO SENOR
SCHWARZ ATTE

MURILLO FERROBOL

ROUTING

ACTION COPY: MR. SKILLINGS

INFORMATION
COPY: MR. ALTER

DECODED BY:

Mr. Maini

*Please
prepare
response.
mg*

MT

BOL 15
FEB 25 REC'D

INCOMING CABLE

DATE AND TIME

OF CABLE: FEBRUARY 23, 1970 1844

LOG NO.: RC34 / 24

TO: INTBAFRAD

FROM: LA PAZ

TEXT:

104 VANDEMEER

YOUR CABLE 20/2 AAA SCHWARZ PROPOSES REMAIN BOLIVIA MONTH MARCH
WITHOUT CONTRACT TAKING ACCUMULATED LEAVE ONLY JUNE/JULY BBB
GRATEFUL CLARIFICATION SITUATION AS EXTENSION REQUESTED AGAINST
UNDP(TA) FUNDS WITH UNATIONS AS EXCECUTING AGENCY

PEREZARTETA

Veggo, Pisco
Van Helden, Deputy Chief, UN Bolivia

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

W.A. PARK

2/24
CI

JAO

MR. PEREZ ARTETA
UNDEVPRO
LA PAZ

FEBRUARY 20, 1970

LT

BOLIVIA

RE SCHWARZ CONTRACT STOP UNDP STUDYING ONE YEAR CONTRACT EXTENSION
STARTING APRIL 1 1970 STOP DECISION IMMINENT STOP PLEASE CONFIRM OUR
UNDERSTANDING SCHWARZ PLANS SPEND MARCH 1970 IN US AT OWN EXPENSE
EXCEPT FOR 12 DAYS PAID VACATION CORRESPONDING TO 1969 STOP PLEASE
CONFIRM OUR UNDERSTANDING SCHWARZ REQUEST FOR VACATION IN JUNE JULY
CORRESPONDS TO AN ANTICIPATION OF VACATION TO BE EARNED 1970 STOP
REGARDS

VANDERHOEF
INTBAFRAD

S. M. L. van der Meer
Transportation Projects

Cleared with and cc: Mr. Riley ✓

FJDominguez:urj

B01-15
PI
Memo Nr. 70704

TO : FRANCISCO J DOMINGUEZ
Pre-Investment Services Div.
FROM : E.Felix Schwarz La Paz
Subject: Extension of my contact.
Date : Febr. 11th 1970

From the Railroadmanagement received a copy of Mr. Skillings cable to the Bolivian "ailroad - where he mentions that the Bank is "... following up and hopeful approval."

Excuse me if I occupy your time with the following items - which I would like to introduce in a possible new contract with me, but you are the only person at the Worldbank whom I may boucher with this questions.

If the Worldbank agrees to make a new contract with me -- I would like to have following points observed in this contract:

- 1) The new contract period would begin from 1st of April 1970. My actual contract finishes 1st of March. I would start the new period on April 1st.
- 2) Please transfere my vacation-payment to my bank in California.
- 3) I would like to take my vacation during June/July this year - when my daughter is on her school-vacation.
- 4) Please - check if possible to include more than one day of vacation per month of work. I ask you kindly to introduce in my contract vacation-time in accordance to UN-reglamentation.

I hope to have soon some notice from you.
Thanking you in advance for your cooperation, I remain
yours very truly


Felix Schwarz

FEB 16 1970

Projects Dept. Correspondence

ANSWER

DATE

AO FEB 18 1970

RECORDED

DP/SF/310 BOL 15

February 6, 1970

Dear Mrs. Korn:

Attached is a copy of a letter to Mr. Myer Cohen regarding a request from the Government of Bolivia to extend, under the TA Component, the services of an expert, Felix Schwarz, presently being financed under Special Fund project BOL-15. Except for this expert, the Special Fund project is completed.

On February 4, I spoke with Mr. Stichiger of your office. At that time you had not received the Government's technical assistance request. In the meantime we received a copy of the resident representative's letter of January 30 (UN/BOL/70/2/216), and I assume you have now received a copy also.

As you will see from my letter to Mr. Cohen, we strongly support this request, and we would appreciate anything you can do to accommodate the Government request under the Technical Assistance program. Please call on us if we can provide any additional information or assistance to you in this matter.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosure

Mrs. Carmen Korn
Chief, Latin American Division
Office of Technical Co-operation
United Nations, New York 10017

VJR:cbh

cc: Mr. Skillings
Mr. Dominguez

DB/SF/310 BOL 15

February 6, 1970

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Cohen:

BOLIVIA: Integrated Transport Survey

Mr. E. Felix Schwarz, a railroad accounting and statistical specialist, has been serving in Bolivia for several years in connection with the above project. Initially he was part of the team sent by the subcontractor, Daniel, Mann, Johnson, and Mendenhall, but since February 1969 he has been under direct contract with the Bank. This one-year extension of his service was agreed in your letter of December 24, 1968. Our contract with Mr. Schwarz expires at the end of this month.

The Bolivian Government has now requested an extension of Mr. Schwarz' assignment for one year more, and I am attaching a letter from the Empresa Nacional de Ferrocarriles supporting this request. This week the Ministry of Planning has also cabled us urgently requesting a "last extension" of one year for Mr. Schwarz. Lastly we have received from the UNDP resident representative a copy of his letter of January 30, 1970, to you, under the symbol UN/BOL/70/2/216, conveying the Government's request for this extension under the Technical Assistance program.

We in the Bank strongly support the proposed extension for the reasons given in the letter of the resident representative. In addition, the continuation of Mr. Schwarz would contribute to the success of the proposed project of assistance to the railways (BOL-25) and to the possible Bank Group lending for Bolivian railways which was referred to in my letter of December 23, 1969, on the latter project.

I am also enclosing copies of a number of documents received from Mr. Schwarz showing (a) the work accomplished between March-November 1969; (b) his proposed program for the period November 1969-February 1970; and (c) his intended program for the proposed additional year, i.e., March 1970-March 1971.

Mr. Cohen

2

February 6, 1970

If UNDP agrees to the continuation of Mr. Schwarz' services, financing presumably would have to be arranged under the Technical Assistance Component. (We assume that you would be unwilling to consider a further extension and earmarking under BOL-15.) In this connection we note that the resident representative has sent a copy of his letter to Mrs. Carmen Korn of UN/OTC, and we similarly are sending her a copy of this letter.

If we can be of further assistance in connection with this matter, please advise us. I also would appreciate your advising us of your decision on Mr. Schwarz when it is made.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

VJR:cbh

Enclosures

cc: Mrs. Carmen Korn, UN/OTC, with enclosures

bcc: Mr. Skillings
Mr. Dominguez

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

5th Feb

NAME

ROOM NO.

Mr. V. J. RILEY

222

D1136

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

S. A. W. MOINI

42/501/70/2/215

23 January 1970

FEB 5 REC'D

Dear Mr. Cohen,

Subject: Project 42/501/70/2
RAILWAY ACCOUNTING AND AUDITING

The National Railways have been for some time revising and modernizing their accounting and auditing system. For this purpose they have had the services of our expert Mr. Felix E. Schwarz, whose mission until the end of February 1970 has been financed with funds from our project 42/501/70/2, "Integrated Transport Survey."

Nevertheless, this work has not yet been finished, mainly due to the purchase of a NCR computer and the need to train local personnel which derives from the installation of this new system.

For this reason, the Government urgently requests that this project be approved so that the work being carried out won't suffer any interruption, which will indeed be very harmful for the National Railways.

I am also enclosing copy of the letter from the Minister of Foreign Relations, officially submitting this request.

With copy of this letter and its attachments, I am informing Mrs. Korn of UN of this new request asking for her comments.

Please advise me regarding your reaction on the subject and also I should be glad to give you any additional information you may require.

Yours sincerely,

Luis Pérez Arce
Resident Representative

Mr. Myer Cohen
Asst. Administrator and Director
Bureau of Operations and Programming
UNDP
United Nations, New York.

cc: Mrs. Korn, UN

OF 12/1/70 FOR



REPÚBLICA DE BOLIVIA
MINISTERIO DE RELACIONES
EXTERIORES Y CULTO

DGCI/CM - N° 144/70

La Paz,

ERF

Señor Representante Residente:

El Ministerio de Planificación se ha dirigido a esta Cancillería mediante nota 088-70, de 19 del corriente, para referirse a la ampliación del programa de asesoramiento por parte del experto Félix Schwarz a la Empresa Nacional de Ferrocarriles (ENFE).

El Ministerio de Planificación después de haber efectuado las correspondientes consideraciones, autoriza la prórroga de asesoramiento del señor Schwarz por doce meses, del 1° de marzo de 1970 al 1° de marzo de 1971, con el entendido de que no se autorizará una nueva prórroga para este programa.

Con este motivo, reitero a usted las seguridades de mi distinguida consideración.

Señor Ing.

Luis Pérez Arteta,

Representante Residente del Programa
de las Naciones Unidas para el Desarrollo,
Presente.

BOL-15

February 4, 1970

cable dictated by Ambassador Sanjines

To: Robert F. Skillings

Please advise urgently if possible last extension for one year contract for Schwartz in same condition as actually stop Ministry planning send United Nations request technical assistance for ENFE stop

Ministry Planning

VN has nothing on TA Request for Schwartz



*With the Compliments of the
Resident Representative*

Mr. Robert F. Skillings
Western Hemisphere Department
International Bank for Reconstruction
and Development
1818 H St. N.W.
WASHINGTON D.C. 20433

A handwritten signature in dark ink, appearing to read "J. S. ...", is written over a horizontal line.

UNITED NATIONS DEVELOPMENT PROGRAMME
LA PAZ - BOLIVIA

UN/SOL/70/2/216

30 January 1970

Dear Mr. Cohen,

Subject: Project UN/SOL/70/2
RAILWAY ACCOUNTING AND AUDITING

The National Railways have been for some time revising and modernizing their accounting and auditing system. For this purpose they have had the services of our expert Mr. Felix E. Schure, whose mission until the end of February 1970 has been financed with funds from our project SOL 13, "Integrated Transport Survey."

Nevertheless, this work has not yet been finished, mainly due to the purchase of a NCR computer and the need to train local personnel which derives from the installation of this new system.

For this reason, the Government urgently requests that this project be approved so that the work being carried out won't suffer any interruption, which will indeed be very harmful for the National Railways.

... I am also enclosing copy of the letter from the Minister of Foreign Relations, officially submitting this request.

With copy of this letter and its attachments, I am informing Mrs. Korn of UN of this new request asking for her comments.

Please advise me regarding your reaction on the subject and also I should be glad to give you any additional information you may require.

Yours sincerely,

Luis Pérez Ariola
Resident Representative

Mr. Myer Cohen
Asst. Administrator and Director
Bureau of Operations and Programming
UNDP
United Nations, New York.

cc: Mrs. Korn, UN

Mr. Challenge



REPÚBLICA DE BOLIVIA
MINISTERIO DE RELACIONES
EXTERIORES Y CULTO

DGCI/CN - N° 144/7

La Paz,

29 JUL 1970
ERF

Señor Representante Residente:

El Ministerio de Planificación se ha dirigido a esta Cancillería mediante nota 088-70, de 19 del corriente, para referirse a la ampliación del programa de asesoramiento por parte del experto Félix Schwarz a la Empresa Nacional de Ferrocarriles (ENFE).

El Ministerio de Planificación después de haber efectuado las correspondientes consideraciones, autoriza la prórroga de asesoramiento del señor Schwarz por doce meses, del 1° de marzo de 1970 al 1° de marzo de 1971, con el entendido de que no se autorizará una nueva prórroga para este programa.

Con este motivo, reitero a usted las seguridades de mi distinguida consideración.

Señor Ing.

Luis Pérez Arteta,
Representante Residente del Programa
de las Naciones Unidas para el Desarrollo,
Presente.

OFFICE MEMORANDUM

TO: Mr. Vincent J. Riley

DATE: February 5, 1970

FROM: Robert F. Skillings *RS*SUBJECT: BOLIVIA - Extension of Mr. Schwartz's Engagement

1. I am enclosing (1) a copy of a letter addressed to the Bank by the Bolivian Railways requesting the extension of Mr. Schwartz's services and giving reasons therefore, (2) a letter from Mr. Schwartz to Mr. van der Meer enclosing notes in which he describes what he has accomplished up to now and what he expects to accomplish if the contract is extended by another year.
2. Two sets of the foregoing documents are furnished herewith so that you may pass them on to the United Nations when you convey the Bank's support to this application.
3. I am also enclosing a copy of correspondence sent to me by the United Nations Resident Representative, namely the official Government request to him and his letter to the United Nations, New York, transmitting the request.

cc: Messrs. Dominguez
Moini

BOL-15

BOLIVIA

INVESTMENT AND OTHER FOLLOW-UP OF COMPLETED SPECIAL
FUND PROJECTS

Annual Report by the Resident Representative for the
period 1 January to 31 December 1969

CC Skilling S
Dominguez
→ DSD Files
Res Files

I. Agricultural Training Faculty of Agriculture, Cochabamba (BCL-4).

Executing Agency: FAO

Field Work Completed: February 1965

Nothing to report.

II. Pilot Mineral Survey of the Cordillera and Altiplano (BCL-6)

Executing Agency: UN

Field Work completed: December 1966

Nothing to report.

III. Integrated Transport Survey (BCL-15)

Executing Agency: IBRD

Field Work completed: July 1969

- (i) Further pre-investment: The Inter-American Development Bank has announced it will finance the pre-investment study for the Oruro-Iquique (Chile) road connexion. This project was not considered in detail by the IBRD-executed study as possible traffic demands were felt to be insufficient to justify it (Volume I., page 53, of final report).
- (ii) Implementation of consultant's recommendation: The consultants recommended the closure, either immediately or in the near future, of a number of uneconomic railway branch lines. The National Railways (ENFE) recently announced that three of the lines singled out by the study (Sucre-Tarabuco, Boyuibe-Cuevo and Cliza-Arani) will be closed during 1970.

UNITED NATIONS
DEVELOPMENT PROGRAMMEPROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENTUNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310(2) BOL-15
DP/SF/310 BOL-15

8 January 1970

Dear Mr. Perez-Arteta,

Subject: BOLIVIA - Integrated Transport Survey (BOL-15)

As requested in your letter of 25 November 1969, we are sending you herewith two copies in English of the four supplements to the subcontractor's final report on the above project.

We note that you have received the two sets of the Spanish version of the reports sent to you under cover of our letter of 20 November 1969. In this connexion, it would be appreciated if, in accordance with standard procedure, you would seek the Government's agreement to derestrict this final report and inform us when you have received a response to our request.

Yours sincerely,

COPY

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Luis Perez-Arteta
Resident Representative of the
United Nations Development Programme
in Bolivia
Casilla 686
La Paz, Bolivia

CC: 11/17/75
DSD

Mr. S.M.L. van der Meer

December 15, 1969

Thomas Mitchell

UNDP - Bolivia Transport Survey

In connection with the contract on the subject survey, we have paid to date an aggregate of \$876,526.06 to the consultants, Daniel, Mann, Johnson and Mendenhall.

Prior to our last disbursement in November 1968 we established agreement between the Consultants, Government and ourselves that, although DMJM had presented invoices totalling \$897,449.06, which was in excess of the contract ceiling of \$890,000.00, we would not, at that time, disburse all of the remaining funds to the contract limit. It was agreed we would retain certain sums related to (a) final report costs and (b) cost of services of expert E. Schwarz. These costs were, at that time, still to be incurred. The attached copy of our transmittal letter, to DMJM, of November 25, 1968 provides these details. It should be stated we have received no further "approved" invoices since then.

As you know, the services of Mr. Schwarz under the DMJM contract were completed at the end of February 1969 and, if it can be established that the agreed number of copies of the final report have been properly distributed there is, perhaps, a case for proceeding to pay DMJM the balance of \$13,473.94 which remains to be disbursed to the contract ceiling of \$890,000.00.

We suggest that, considering the sensitivity of the subject of the DMJM contract, approval of the proposed payment should only be given after due thought of any implications which might arise from it; legal should, no doubt be asked to assist in the decision.

cc: Mr. Vincent J. Riley ✓

RJones:pep

DP/SF/310 BOL 15

November 24, 1969

Dear Mr. Coomaraswamy:

Enclosed are the fact sheets for the transmittal of the Final Report on the Bolivia Transport Survey, which was forwarded to you under separate cover of our letter dated November 3, 1969.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosure

Mr. Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports
United Nations Development Programme
United Nations, New York 10017

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF 310(2) BOL 15
DP/SF 310 BOL 15

20 November 1969

Dear Mr. Demuth,

BOLIVIA - Integrated Transport Survey (BOL 15)

This is to acknowledge with thanks receipt of Mr. Riley's letter of 3 November 1969, and the nine sets (two in Spanish and seven in English) of the consultants' Final Report on the above project, sent to us under separate cover. We note that you will be forwarding the Reports Fact Sheet as soon as it is completed.

We also note that the Bank's confidential evaluation will be sent to us when it has been completed, and should like to know when we may expect to receive it.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rajendra Coomaraswamy', written over the typed name and title.

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

CC: Vanda M554-24-26
DSD

69-87
12-4



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAPRAD

our file Bol-15

November 4, 1969

Mr. Felix Schwarz
Casilla 726
La Paz,
Bolivia

Dear Mr. Schwarz:

Thank you for your letter of October 20, 1969.

I note you would like to extend your contract with the Bolivian Railroads. In order to get together the documentation required for the consideration of such an extension, I would recommend that, as a first step, you send the Bank (for my attention) a detailed report of what you have accomplished so far, what you hope to accomplish until the end of your present assignment on March 1, 1970, and an outline of the program you expect to fulfill during your extended contract through 1970. The description of the work the Railroads expect you to do, contained in the contract you signed with the Railroads on January 15, 1969, and which was later substituted by your present contract with the Bank, would provide a proper reference to gauge the work performed and to be performed.

In addition to this information, I would suggest that the Railroads write directly to the Bank, attention of Mr. Skillings, stating their views on a one-year extension of your assistance, giving an outline of the benefits they have so far derived from your assistance, and suggesting a work program for you to fulfill during 1970. We would then be in a position to discuss informally with the UNDP, the best way to handle the extension of your services.

Sincerely yours,

S. M. L. van der Meer
Chief, Pre-investment Services Division
Transportation Projects Department

St. Riley

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Burk?

page no 301-15
SD

General Mgt.
only 7/12/71

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Nov. 3, 1969

NAME

ROOM NO.

Mr. van der Meer

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Will you please have the confidential
evaluation prepared in accordance with
Operational Memorandum 7.07, Annex, pg. 5.

DP/SF/310 BOL 15

November 3, 1969

Mr. Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Coomaraswamy:

We are sending under separate cover the Final Report for the Bolivia Transport Survey prepared by the consultants, Daniel, Mann, Johnson, and Mendenhall of Los Angeles, California. The Fact Sheet will be forwarded as soon as it has been completed.

The report consists of eight volumes, two sets in Spanish and seven in English. Volume II appears in two parts; Volume IV has two supplements. In addition, there are two volumes supplemental to the report, one on agriculture and one on international agreements of Bolivia as they relate to transportation. The supplemental volumes have not been printed in Spanish.

The Bank's confidential evaluation will be sent to UNDP as soon as it has been completed.

Sincerely yours,

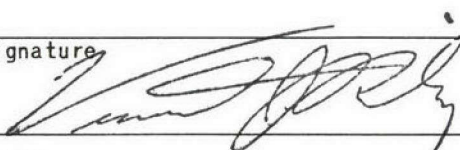
Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosures - Separate cover
Two sets in Spanish
Seven sets in English with supplements

VJR:cbh

cc: Mr. van der Meer

REQUEST FOR SHIPMENT AND MAILING OF PACKAGES

Department Development Services		Division Technical Assistance		Date November 3, 1969	
MATERIAL TO BE DISPATCHED					
Quantity		Description			
6 boxes		BOLIVIA TRANSPORT SURVEY - Final Report Two sets in Spanish - 8 volumes each Seven sets in English - 8 Volumes each plus supplements			
Send To			Special Instructions		
Mr. Rajendra Coomaraswamy Assistant Administrator and Director Bureau of External Relations, Evaluation and Reports United Nations Development Programme United Nations, New York 10017					
Date Wanted at Destination		Valuation of Contents	Authorized Signature		
					
RECORD OF DISPATCH					
No. of Packages	Weights	Measurements		Insurance No.	Cost
Shipment Marked			Shipment Via		
Date of Dispatch			Signature of Dispatcher		

October 21, 1969

3
Please insert
in applicable
files

Mr. S. B. Shields
Chief, Policy Section - Financial Management and
Administrative Policy Division
Bureau of Operations and Programming
United Nations Development Programme
United Nations
New York, New York: 30017

Dear Mr. Shields:

Enclosed are fifteen confirmed copies of the Adjustment Advisers for
the following Special Fund projects:

- 1. ECA 29 - Brazil - Transport Survey Phase II.
- 2. ECL 15 - Bolivia - Integrated Transport Survey.
- 3. FHE 32 - Philippines - Transport Survey.
- 4. EAK 21 - Pakistan - Telecommunications Survey.

We would appreciate it if you would inform us of the status of the
various plans of operation for the following projects, which were enclosed
with our letter of June 24, 1969:

- 1. EAT 2 - Botswana - Pre-Development Survey of Utilities for
Mining and Agriculture.
- 2. CAF 5 - Central African Republic - Road Feasibility and Road
Maintenance Study.
- 3. EAT 5 - Eritrea - Road Transport Survey.
- 4. EAB 1 - Ghana - Iron Ore Transport Survey.
- 5. EAF 99 - Regional (Africa) - Rail and Road Transport Study.

Sincerely yours,

Francis R. Poole
Controller

Enclosures

cc: Messrs. Filley, Neary, Rutland, Subramanian
Nicholas Russell, London.

JGwerts/as

NOTE: UNDP - Correspondence
Channel

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA - INTEGRATED TRANSPORT SURVEY

Adjustment Advice No. 1

This Plan of Operation is adjusted as follows:

.... The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised as indicated to reflect minor adjustments in the Work Plan.

CONFIRMED COPY

Signed: 

H. L. Mages

Date:

12 June 1969

UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION
(in US dollars)

	Total Project Costs	Expenditures				
		1966	1967	1968	1969 *	1970 *
Experts	35,000	-	-	-	30,000	5,000
Fellowships	46,700	-	-	14,509	32,191	-
Equipment	-	-	-	-	-	-
Sub-Contract	890,000	-	463,659	406,617	19,724	-
Miscellaneous	-	-	-	-	-	-
<u>Total Project Costs</u>	<u>971,700</u>	<u>-</u>	<u>463,659</u>	<u>421,126</u>	<u>81,915</u>	<u>5,000</u>
Agency Overhead Costs	11,000	1,500	2,500	4,000	3,000	-
SF Direct Costs	3,800	2,690	-	-	1,110	-
<u>Total Special Fund Allocation</u>	<u>986,500</u>	<u>4,190</u>	<u>466,159</u>	<u>425,126</u>	<u>86,025</u>	<u>5,000</u>

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

* Estimated

CONFIRMED COPY

Mr. Piley
ampl

September 3, 1969

Sr. Gustavo Mendez Torrico
Ministro de Obras Publicas y Comunicaciones
Ministerio de Obras Publicas y Comunicaciones
Av. Camacho Esq. Bueno
La Paz, Bolivia

Dear Mr. Minister:

I am writing about the findings of the Transport Mission which visited Bolivia in March and reviewed with the Government the draft Integrated Transport Study, became acquainted with the present situation of the various transport agencies, and sought to identify possible projects for Bank financing.

As regards the Integrated Transport Study, the Mission agreed with Government representatives that it would be desirable to request the consultants to revise Volume I of this survey extensively, in order to bring together all of their major findings and recommendations. We have passed this request on to the consultants and they have agreed to make such a revision. We have also passed along certain comments on other parts of the report. I understand they expect to transmit the final report to Bolivia soon.

The Mission's findings with respect to the transport system and with respect to possible projects for Bank finance can be conveniently divided into three principal parts: highways, civil aviation, and railways.

Highways

The Mission has reported to us that organization and operation of the Servicio Nacional de Caminos, and the standards of road maintenance in the country, are generally satisfactory. The Mission felt, however, that highway planning would be improved if arrangements were made to associate SNC more intimately with the planning process, and also to maintain current records of all highway investment commitments in order, *inter alia*, to enable the Government adequately to plan the allocation of its limited financial resources. At the present time, substantial highway investments are in progress, and these appear to be fully employing the country's construction industry and using all of the public funds which can be made available for highway investment purposes.

September 3, 1969

There are several interesting road construction projects for the future identified by the Transport Survey, including the reconstruction of all or part of the Oruro-Cochabamba highway. I gather that the Government has in mind approaching other agencies for the financing of these highways.

We have taken note of your observation that the Transport Survey did not adequately investigate proposed projects in the eastern part of the country that would make new agricultural development possible there. I am happy to inform you that the Bank Economic Mission which is now in Bolivia will pay particular attention to this question. The Mission includes agricultural specialists to review the potential for new production in those areas, and also a highway engineer to advise what new road investment may be needed to enable agricultural growth to take place.

Civil Aviation

The Mission has reported that most of the recommendations for civil aviation contained in the Transport Survey are being implemented with financial assistance from the United States. They noted the Government's suggestion that a feasibility study be undertaken of a new airport at Santa Cruz, bearing in mind the promising production development potential of the Santa Cruz region and the prospect that the present airport will soon become surrounded by urban development. Among international agencies, the United Nations Development Program Special Fund is the most appropriate source of finance for feasibility studies of this kind. If the Government considers this project to be of high priority among those which it has in mind for the UNDP, we should be happy to support a request to the UNDP and help draft terms of reference for the study. If so requested by the Government and the UNDP, we would be prepared to consider serving as Executing Agency for the project.

Railways

The Mission devoted considerable time and attention to the problems of the railways and I am attaching to this letter a memorandum prepared by the Mission summarizing its findings and conclusions regarding this sector.

Let me say first that we have observed a great improvement in the organization and management of the railway system since the Bank first became acquainted with the railways prior to the UNDP-financed study by SOPRERAIL in 1961. The Government and the railways are to be congratulated for this improvement.

September 3, 1969

The second observation I should like to make concerns the great financial burden which operation of the railways now imposes upon Bolivia's National Treasury. Apparently, in 1967 the total burden on the Treasury was in the neighborhood of 36 million pesos or roughly one-third of the Government's budget deficit. In the next few years the tendency will be for the burden to increase as debt service and other charges connected with the railways increase. We have examined the financial position of the railways carefully in order to form a judgment as to whether it would be possible in the foreseeable future to eliminate the deficit and place the railways on a profitable basis. With a vigorous program of redimensioning, full realization of the potential savings of dieselization, and certain other measures, it seems possible to forecast that over the next five years the financial burden which the railways place on the Government could be substantially reduced. The Mission believes that an action program could be designed and implemented which would

- a) for the western system, result in the covering of all expenses including depreciation and interest;
- b) for the eastern system, render it possible to cover all cash operating expenses.

A program for achieving these goals is set out in the attached memorandum. The main elements of this program would include:

- 1) the closing of lines determined to be uneconomic in areas where alternative means of land transport exist or can be built economically,
- 2) the reorganization of operations, including motive power, workshops and operating procedures, and the release of redundant personnel that should result from such a reorganization,
- 3) selective increases in tariffs, especially for passengers, where the competitive situation permits, and
- 4) a halt to the construction of railway lines that cannot meet their costs.

We appreciate that some of these measures will require extremely difficult decisions for the Government. Nevertheless, we feel that Bolivia's economy and public finances would benefit significantly from them, particularly since we also envisage that a program of high priority investments would be carried out concurrently.

If the Government were willing to explore the feasibility of undertaking a program such as the one described above, the Bank would be prepared

Sr. Gustavo Mendez Torrico

- 4 -

September 3, 1969

to assist the railways in the extension of the program. In particular, we would be prepared to support a renewed request to the UNDP by the Government for technical assistance to the railways. The kind of assistance requested by the Government in 1968 is still basically what is required. In addition to this technical assistance, the railways would also need assistance in the preparation of an investment program. If the UNDP acts favorably on a Bolivian request (which will in large measure depend upon the priority which the Bolivian Government places upon the request by comparison to other projects being considered by the UNDP) the Bank would be prepared to consider a request from Bolivia and the UNDP to act as Executing Agency.

Moreover, once we receive satisfactory assurances from the Government that it will undertake a program such as that outlined above, and once certain initial steps are taken to implement it, we would be willing to consider financial assistance from IDA to the program. Such assistance could not, of course, meet the whole cost of the program. We would expect the Government also to make a significant contribution. Once the Government decides that it wishes to proceed as we suggest, we would send representatives to La Paz to discuss in detail the steps to be taken by the Government and the railways to engage consultants, prepare the program, and begin its implementation.

I should be grateful if you would let me have the reaction of the Bolivian Government to the various proposals made above. I am sending a copy of this letter to Mr. Philip Glaessner, the chief of the Bank economic mission now in Bolivia, and asking him to discuss these matters with you.

With kind regards.

Yours sincerely,

Gerald Alter
Director
Western Hemisphere Department

Attachment

Cleared with and cc: Mr. Riley
Mr. North
Mr. Engelmann
Sir Gordon Mackay

cc: Mr. Sadove
Mr. Carmichael
Mr. van der Meer/Dominguez
Mr. Sassoon
Mr. Loven/Spencer
Mr. Patthasanthi
Mr. Glaessner (in La Paz)

cc: Minister of Economy
Minister of Planning
President of the
Central Bank
Bolivian Ambassador

RFSkillings/GKWiese/bds



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 07/31/1969	Document Type Memorandum			
Correspondents / Participants To: Files From: S. M. L. van der Meer				
Subject / Title Bolivia - Transport Survey				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

DP/SF/310 BOL 15

July 17, 1969

Mr. S. B. Shields
Chief, Policy Section
Financial Management and
Administrative Policy Division
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Shields:

BOLIVIA: Integrated Transport Survey

Enclosed are fifteen conformed copies of Adjustment
Advice No. 1 in English for the above project.

It was agreed by telephone with Mr. Maggs of your
office that Spanish copies of the Advice will not be
necessary since the original Plan of Operation was in
English only.

Sincerely yours,

Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosures

VJR:cbh

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

CBH

Sent ¹⁵ confirmed copies together

with note saying Mays

says Special not necessary

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Lucy Sassoon's
office but they
never replied.

Kate

Before you do anything
with this, pl. find out
whether the original
Planop was prepared
in Spanish, also. I
rather think ~~yes~~, but
Legal Rites should
be able to answer
the ?

Sassoon

2368

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Miss P.

Do I send the legal
original to ~~Judge~~
to the

Do they do the
confirmed copies?

K

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Signed adj. adv.
attached to
Top copy

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310/BOL 15
DP/SF/214/BOL 15

12 June 1969

Dear Mr. Demuth,

Subject: BOLIVIA - Integrated Transport Survey

We refer to Mr. Francis Poore's letter of 7 May, addressed to Mr. Maggs enclosing six copies of Adjustment Advice No. 1 in English for signature.

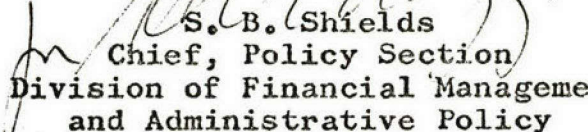
.....

Enclosed is one signed copy of the above-mentioned Adjustment Advice. A second signed copy has been despatched to the Government and the third copy has been retained by the UNDP. Please despatch fifteen conformed copies of this Adjustment Advice to UNDP.

A revised allocation, as necessary, will be issued in accordance with this Adjustment Advice.

We look forward to receiving, at your earliest convenience, the Spanish copies for signature.

Yours sincerely,


S. B. Shields
Chief, Policy Section
Division of Financial Management
and Administrative Policy

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Handwritten notes:
Rendn Mssn
Rec my
Skillings
Sassoon
BSD ✓

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION
(in US dollars)

	Total Project Costs	Expenditures				
		1966	1967	1968	1969 *	1970 *
Experts	35,000	-	-	-	30,000	5,000
Fellowships	46,700	-	-	14,509	32,191	-
Equipment	-	-	-	-	-	-
Sub-Contract	890,000	-	463,659	406,617	19,724	-
Miscellaneous	-	-	-	-	-	-
<u>Total Project Costs</u>	971,700	-	463,659	421,126	81,915	5,000
Agency Overhead Costs	11,000	1,500	2,500	4,000	3,000	-
SF Direct Costs	3,800	2,690	-	-	1,110	-
<u>Total Special Fund Allocation</u>	986,500	4,190	466,159	425,126	86,025	5,000

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

* Estimated

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)


PLAN OF OPERATION

BOLIVIA - INTEGRATED TRANSPORT SURVEY

Adjustment Advice No. 1

This Plan of Operation is adjusted as follows:

.... The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised as indicated to reflect minor adjustments in the Work Plan.

Signed: 

H. L. Maggs

Date:

12 June 1969

UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

Files

June 4, 1969

F. J. Dominguez

BOLIVIA - Transport Survey

Mr. van der Meer received a telephone call yesterday at 4 p.m. from Mr. Shope, Vice President of Daniel, Mann, Johnson and Mendenhall.

Mr. Shope advised Mr. van der Meer that he had received from Bolivia an answer to his cable of May 28, 1969. This answer said that the Government may have some comments and that these comments would be sent on June 26, and also indicated the number of copies of the final report which the Government would require.

DMJM has decided to postpone sending to the Government, until such comments are received, their letter dated May 23, 1969, addressed to the Government and the Bank, and of which the Bank received a copy in English on May 29, 1969. This letter is the one in which DMJM sets forth its reasons for requesting an additional compensation of \$302,946.

Mr. Shope asked Mr. van der Meer if the Bank could request the Government to expedite the sending of their comments. Mr. Skillings has agreed to mention this request to the Government on his forthcoming trip to Bolivia in early June.

FJDominguez:urg
IBRD

cc: Mr. Skillings
Mr. Riley
Mr. Scott/Mr. Sassoon

Conf

O F F I C E M E M O R A N D U M

TO: Mr. Gerald Alter

DATE: June 2, 1969

FROM: Robert F. Skillings

SUBJECT: BOLIVIA- Report - Bolivian Transport Mission

1. During the week of March 24-28, a mission consisting of seven members of the Transportation Projects Department,^{1/} Mr. Burke and I discussed the Draft Report on the Bolivian Transport Survey by Daniel, Mann, Johnson and Mendenhall (DMJM Report) with the Bolivian Government. In addition we informed ourselves about the current situation of the various transport modes, and sought to identify a project, or projects, suitable for IDA financing. We examined particularly whether it would be feasible to develop a program for improving the financial position of the railways.

2. Two general meetings were held with the Bolivians, one at the beginning of the week in which we indicated our objectives and formulated a work program and one at the end which enabled us to summarize our impressions and initial findings. The Minister of Public Works, Mr. Gustavo Mendez Torrico, presided over these two meetings, which were also attended by the Minister of Planning and Coordination, Mr. Dante Pavisich, and by officials of the Ministries of Public Works, Planning and Economy, the railways, the highway organization and the aviation agencies. Between these two major meetings, a series of others were held between the mission's specialists on the different modes of transportation and the corresponding Bolivian Government agencies. Additional notes on each of the transport modes are being prepared; the principal discussions are summarized below.

DMJM Study

3. Three specific criticisms were voiced by the Bolivian Government of the DMJM Study. The first concerned what they termed a "loose analysis" of the railroad. They did not feel that DMJM had done a complete job of analyzing the railroad's position nor that they had taken into account the views of the counterpart staff. The second criticism was DMJM's failure to take into account the developmental potential of new transport investment, especially in roads. Third, the Bolivian Government considered the period used as the basis for determining the scale of future transport investments, 1960 to 1965, inappropriate and unrepresentative in view of the disorganization that prevailed in the Bolivian economy during that period, and the growth that has occurred since. In addition, the Minister of Public Works stated that while in general he believed DMJM was a good firm, and so were most of the technicians they had sent to Bolivia, the railroad team was poor.

^{1/} Messrs. Engelmann, North, Loven, Spencer, Kesson, Dominguez and Parthasarathi.

4. We said that our overall reaction to the study was favorable. It brought together a great deal of information that had not previously been put in one place, and it contained analysis that should permit the establishment of investment priorities. However, the absence of a comprehensive summary of the consultants' conclusions and recommendations was a serious defect in the report, and we proposed if the Bolivians agreed (which they did) to ask DMJM to rewrite Volume I containing the summary and conclusions. We agreed that the time period on which the scale of investments was based, 1960-1965, had disadvantages which needed to be borne in mind when interpreting the study, but we pointed out that this had been specified in the terms of reference, and had been agreed by the Government before the survey began. We also noted that DMJM had confined the analysis generally to a projection of existing traffic flows and did not take into account new areas of production potential; we expressed the belief, however, that it would have been difficult for transportation consultants to try to forecast the location and levels of new future production as it was not within their expertise.

Roads

5. Minister Mendez said that the Bolivian Government believes that highways constitute the principal means of surface transport and that the existing network in Bolivia should be expanded.

6. The mission agreed that certain road projects recommended by the DMJM Study appeared to be of high priority (particularly Oruro to Cochabamba). The mission also expressed to the Bolivians the opinion that the Servicio Nacional de Caminos (SNC) was well organized and efficient, given its present role and the financial limitations within which it operates. Road maintenance appeared to be well organized and adequate. (This is a major achievement of USAID, which now makes monthly disbursements on its road construction loans only on receipt of evidence that the Bolivian Treasury has paid the monthly road maintenance allotment to SNC.) However, SNC had no role at all in the planning of new road investments and ought to be given one. The mission was unable to obtain a list of road projects currently under construction or committed, or an indication of the future level and pattern of financial commitments for roads. We pointed out to the Bolivians that this prevented a comparison of commitments with resources likely to be available. The Ministry of Economy agreed to prepare a list of all public investment projects now under way or committed (not only roads), which it promised would be ready for the forthcoming economic mission. The Bank should send a reminder on this to Under-Secretary of Economy Vargas.

7. We requested a clarification of the Bolivians' wishes with respect to the Oruro-Cochabamba road project, which was one of those included in the list of projects handed to Mr. Knapp in February. Bolivia had apparently requested IDB and AID, as well as IDA, to finance it. We were informed that a letter requesting assistance had been sent to AID just a few days earlier. It had not been requested from IDB although some

individuals in IDB had hoped it would be. The project had been included erroneously in the list of projects given to Mr. Knapp in February. We indicated that if AID were unable to go ahead with the project, we would be prepared to recommend that IDA look at it, with a view to a small credit for the detailed engineering studies. At the same time a study should be made of the related problem of improving the Oruro-Cochabamba railway section.

8. Several other road projects were discussed, especially the La Paz-Caranavi-Puerto Salinas road, on which DMJM had assigned a relatively high priority to the La Paz-Caranavi stretch, but thought its extension to Puerto Salinas was probably not justified. The Bolivians have asked IDB to finance this road.^{1/} As regards the other road projects included in the list given to Mr. Knapp in February, we expressed the view that an investment of \$11 million in the road from Tarija to Bermejo, on which traffic is only 25 to 30 vehicles per day, could not be justified. As regards the program for improving small sections of a large number of roads, we said that this type of project could probably best be planned and executed directly by the highway organization, the Servicio Nacional de Caminos (SNC), which would be capable of carrying it out gradually over a period of, perhaps, seven or eight years. Since AID was already close to SNC, they might be the best source of funds for such a program.

9. Finally, we discussed the question of development roads. We expressed the view that this type of road was best considered as a part of an agricultural or other development project involving much more than the provision of transportation. We said that the forthcoming economic mission would look carefully at the agricultural development potential of various regions, and would consider in each case whether road development was needed to make the agricultural development possible. The mission would include a highway engineer for this purpose. The mission would examine from this angle the proposed Rio Grande-San Javier-Concepcion road northeast of Santa Cruz.

Railroads

10. The railroad was the most difficult problem we faced. The Minister of Public Works stated that the railroad had made substantial

^{1/} Mr. Letelier at IDB told me since my return to Washington that IDB is prepared to finance the completion of feasibility studies and the final engineering for this road and for a road from Lake Titicaca to Apolo. If asked, they would also be glad to include Oruro-Cochabamba. They are not now prepared to lend for road construction because they believe Bolivia will not have the financial capacity to contribute to any new road construction before 1971.

progress but significant problems remained. Bolivia did not want to make any irreversible decisions until they were certain they had a final solution. He indicated the need for technical assistance in determining tariff structure, commercial policies, and the operation and maintenance of equipment. He also pointed out that while they had no aspirations to build any additional lines except for an additional 200 to 300 km. stretch, the railroad did want to maintain the lines it did have. 1/

11. The mission informed the Bolivians that it had found the railroad to be in better condition than it had expected. Mr. Loven, who had visited Bolivia in 1961 (before the Bank-financed technical assistance by Sofrerail) referred to the observable improvements that had taken place since then. Furthermore, management was competent and the efficiency of operations seemed adequate. Nevertheless, it was clear that the railroad had been handicapped by a lack of funds which, in turn, had led to arrears in maintenance and necessary investments.

12. On the other hand, we indicated that we felt that the financial situation was extremely serious, the more so because the present acceptable level of efficiency meant that there was no easy way to reduce the deficit. We estimated the future cash drain on the Treasury at approximately \$b50 million per annum if debt service were added to the estimated operating cash deficit of \$b12 million for 1969. The oil shipped to Argentina for servicing the debt on the Santa Cruz-Yaciuba railroad section was estimated to cost the Government annually \$b14 million, payments on the loan from Brazil for construction of the Santa Cruz-Corumba line would cost \$b11 million annually beginning in 1970, and the payments on the German and Japanese suppliers' credits for the new rolling stock were \$b14 million for a year and would rise to \$b18 million in 1971. The deficit would increase by up to \$b14 million a year if the railway agreed to equalize wages over the system, as the unions were requesting. The deficit would also increase if new lines with low traffic continued to be built. On some suitable occasion we should express to Argentine authorities our belief that construction of new railway lines in Bolivia is uneconomic.

1 / The 200 to 300 km. stretch mentioned seems to be the transcontinental link connecting the eastern and western systems. It would be, apparently, an extension of the line from Santa Cruz toward the northwest which is now under construction with Argentine financial assistance. On Saturday, March 29, the day after our last meeting with the Minister, the newspapers carried the story of an exchange of notes between Bolivia and Argentina providing for a study of such a link.

13. The mission expressed the view that there were several areas in which reduction of the deficit was possible. Dismissal of an estimated 750 surplus personnel should save \$b4 million a year (although only after \$b12 million could be provided to pay for severance benefits). Completion of the dieselization now under way should save around \$b4 million a year in fuel and other costs. While Bolivia's freight tariffs were already very high by international standards, there should be some scope for increasing passenger fares, which the mission tentatively estimated could produce \$b5 million a year. Finally, if improvements were made in Oruro-Cochabamba track savings of, say, \$b2 million a year should be possible. These measures would improve the position by only around \$b15 million a year. Any further improvement would require politically difficult decisions by the Government to abandon lines carrying very little traffic. Some alleviation in the cash burden on the Treasury could be obtained if Bolivia could secure rescheduled payments for the German and Japanese loans. Finally, to prevent further aggravation of the deficit, the construction of new lines should be stopped.

14. The mission emphasized its view that the reduction of the deficit should receive high priority, and that agreement should be reached on a time-phased program to accomplish this. Whether or not this would be enough to enable IDA to consider a credit for the railway, the mission could not say. In the past, the Bank and IDA had been willing to lend to railways only if it could be demonstrated that the railways were adopting a program which should produce financial viability within an acceptable period. We were not certain whether such a program was feasible in the Bolivian case, given that there were certain low traffic lines in areas not served by any other form of surface transport, which the Government understandably would not wish to close unless and until other means of transport could be provided economically. The mission would seek after its return to Washington to formulate a list of the principal actions which should be taken by the Government and the railways leading to a substantial reduction in the railways' burden on the budget. The mission would discuss in Washington, whether if these actions were taken, IDA might be willing to consider financial assistance.

15. The mission concluded and informed the Bolivians that DMJM's recommendation that the railways should purchase additional rolling stock was not justified, but that considerable improvement in the utilization of existing motive power and rolling stock should be possible. On the other hand, the mission felt that some investments in the permanent way, including badly needed improvements in the Cochabamba line, would probably be justified--although probably not as much as DMJM had suggested. It would be desirable to engage consultants to assist the railways to draw up such an improvement program. Very roughly, the cost of needed improvements would probably fall between \$5 and 10 million.

16. The mission believes that an investment program of this nature and magnitude is needed as a means of preventing future breakdown of the railway system, whose continued operation is vital to the Bolivian economy.

Over 90 percent of Bolivia's exports and imports are carried by rail, and it will be many years before alternative modes of transport to the Chilean ports of Antofagasta and Arica and the Peruvian port of Matarani are economically justified. In the meantime, the railways must be maintained in good operating condition and operations should be as efficient as possible. It is probably not practically possible to eliminate the railway deficit completely. It is, however, of great importance to Bolivia's budgetary health to reduce the deficit as much as possible. While the proposed investment program would not by itself result in substantial cost savings--its principal benefit being rather to prevent future cost increases--the willingness of IDA to provide finance for such a program could be a powerful inducement for the Bolivian Government to take the stringent measures that are needed to reduce the railways' burden on the Treasury. For this reason IDA should be prepared, if a suitable program can be agreed, to consider a loan for railway investment, even though in all probability some deficit will persist after the implementation of the program.

17. The Minister of Finance spoke to me about the railway deficit privately. I told him that we were not certain that the deficit could be eliminated, and that any reduction would require difficult political decisions. He said that he was most anxious to alleviate the burden on the Treasury, and that if it were possible to reach agreement on a time-phased program, for example, to reduce the deficit by 20 percent per year for five years, and if IDA were prepared to lend on the strength of such a program, he would personally exert all his influence to secure the adoption of the necessary measures no matter how politically unpalatable they might be. I reiterated that it might not be possible--even with the most rigorous program possible--to eliminate the deficit entirely. I reminded him that IDA could not cover the whole cost of a project--not more than 70 percent in my opinion--and that the burden of finding the balance would fall on the Treasury. The Minister said this would be difficult, and was, he said, a factor favoring a program of modest size.

18. The mission urged the Government to renew its request to the United Nations for technical assistance for the railways and indicated that the Bank would support this request and be prepared to act as Executing Agency if the request were granted.

19. It would also be desirable for the railways to engage consultants to assist in preparing a five-year program of investments and measures to reduce the deficit, including traffic and financial forecasts. The mission mentioned that INECO, the Spanish transport consulting organization with whom the Bolivians were already in touch, would be suitable for this work. If it proved feasible for IDA to consider a small investment project, the work of these consultants would be an essential preliminary. The Bank should, therefore, support a request for an additional amount to be included in the proposed UNDP grant to cover these consulting services. If UNDP cannot make the funds available the Bank should be prepared to consider a grant for the purpose.

Airports

20. Minister Mendez said the Government attached great importance to air transportation because of Bolivia's geography and size, and because many parts of the country were accessible only by air. With AID now financing a program of improvements at the four major airports--La Paz, Cochabamba, Santa Cruz and Trinidad--the Government was now planning for the future. He mentioned that because of the high altitude at La Paz, local and international flights have to operate at substantially reduced capacities. Consequently, the Government was interested in building a new international airport at some other more favorable location and believed that Santa Cruz was the logical site because of its central location in South America and because of the rapidly developing economy in that area. It believed that by using the new large C5A the cost of air freight could be reduced to the point of being competitive with surface transport for many commodities. For these reasons, they asked whether the Bank could make available funds needed for a feasibility study, estimated to cost US\$500,000.

21. In reply, the mission stated that it seemed prima facie that such a study would be worthwhile, if only because the present airport would soon be surrounded by the town, while air traffic generated in the Santa Cruz region seemed likely to increase. However, the Bank could not consider finance for a feasibility study unless the United Nations Development Program (UNDP) was unwilling to finance it. We expressed willingness to assist the Government in preparing a proposal to the U.N., including draft terms of reference.

Proposed Bolivian, Chilean, Peruvian Mixed Commission

22. There are many transport problems in which Bolivia Chile and Peru have a common interest. It is particularly important to Bolivia that its access to the sea through the other two countries be treated by the three Governments concerned in accordance with technical and economic, not political, considerations. The mission believes the Bank should recommend to the Governments of Bolivia, Chile and Peru that they create a mixed transport commission, consisting of representatives at the technical level of the transport agencies of the three countries. Subjects which such a commission would deal with include the treatment of Bolivian goods in Chilean and Peruvian customs, the exchange of railway rolling stock, including measures to keep rolling stock turn-around time to a minimum, regulations governing the passage of highway traffic from Peruvian (and ultimately Chilean) ports to and from Bolivia, the regulation of traffic on Lake Titicaca, etc. The mission mentioned this suggestion informally to the Bolivian Ministers of Public Works and Finance, who expressed interest. If such a commission were set up, the Bank should be prepared to nominate an expert advisor to assist the commission in its work. The Bank's representation in an advisory capacity should be an important factor to ensure that the commission will operate in accordance with economic and technical considerations.

Recommendations

23. The following summarizes the mission's recommendations:

- a. The Bank has arranged for DMJM to prepare a revised Summary and Conclusions, bringing together all of the substantial findings and recommendations of the report. We have, in addition, conveyed our detailed comments to DMJM.
- b. The Bank should send an Aide Memoire to the Bolivian Government setting forth the mission's principal findings on each of the various transport modes.
- c. With respect to highways, there do not appear to be any suitable projects that will be submitted for IDA financing in the near future. If, for some reason, AID does not agree to Bolivia's request for financing improvements on the Oruro-Cochabamba road, IDA should be prepared to consider the project for a small credit for the detailed engineering studies (including the road versus rail problem), with a view to a possible construction credit later on. The Bank should also, in connection with its study of agriculture in the eastern part of Bolivia, include road projects as necessary to facilitate agricultural development. The forthcoming economic mission should ascertain whether any such projects can be readily identified.
- d. With respect to railways, the first priority for the Government and the railways is to reduce the railways' financial burden on the national budget, and seek to assure their long-term financial viability. To this end, the Government and the railways should prepare a time-phased five-year action program, based on detailed traffic and financial forecasts, and including organizational and financial measures as well as an investment project covering technical material renewals and improvements. The mission believes that any such program will have to include four aspects on which important, and difficult, policy decisions will need to be taken by the Government:
 - i. uneconomic lines and services that can be economically replaced by other forms of transport should be identified and discontinued;
 - ii. excess personnel should be separated, after due provision for payment of separation benefits;
 - iii. passenger tariffs should be increased;
 - iv. the construction of new railway lines that are not financially and economically justified should be discontinued.

These recommendations should be transmitted to the Government with a suggested timetable for reducing the deficit.

If agreement can be reached with the Government in principle that the foregoing will be done, the Bank should be prepared to support a request to the UNDP to add to the funds already requested for technical assistance to the railways a small amount to finance consulting services for the purpose of formulating the action program, and IDA should be prepared to consider financial assistance if a suitable action program is adopted. If UNDP cannot make the additional technical assistance available, the Bank should consider doing so. Such assistance would be justified by the crucial role which the railways play--and will continue to play for many years--in Bolivia's foreign trade and also by the inducement which such assistance would offer to the Government to take steps to alleviate the financial burden imposed by the railways. These two important objectives should justify financial assistance to the railways even though it is not possible to foresee the complete elimination of the deficit.

- e. The Bank should assist the Government in preparing an application to the UNDP Special Fund for a grant to finance the proposed feasibility study of a new airport at Santa Cruz, and the Bank should be prepared to act as Executing Agency for such a study if the grant is forthcoming.
- f. The Bank should propose to the Governments of Bolivia, Chile and Peru that they create a mixed technical commission to deal with transportation problems common to the three countries, and the Bank should be prepared to nominate a technical advisor to such a commission.

Cleared with and cc: Messrs. Geolot
Engelmann
North
Loven
Kesson
Spencer
Dominguez
Parthasarathi
Riley ✓
Glaessner
Burke
cc: Messrs. Wiese
Weiner
Lerdau
Sassoon
Keltie

RFSkillings/bds



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 05/29/1969	Document Type Letter			
Correspondents / Participants To: Peter Englemann, IBRD From: Barry Mountain				
Subject / Title Bolivia - Transport Survey				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

Mr. Riley
on file

TO: Mr. Robert Sadove

DATE: May 27, 1969

FROM: Peter Engelmann

SUBJECT: BOLIVIA - Transport Survey
Contract Discussions

At the request of Daniel, Mann, Johnson and Mendenhall (DMJM), the consultants for the above survey, a meeting was held in the Bank on May 22, 1969. The purpose of this meeting was to give DMJM an opportunity to present their views on the question of additional remuneration. The meeting was attended by six representatives of DMJM and ten Bank staff members (see Attachment 1).

On the advice of the Legal Department, I opened the meeting by informing DMJM that we would have to inform the UNDP and the Government of Bolivia of this meeting. The consultants then proceeded to present a summary of the present status of their Contract and read a draft letter listing ten points of "additional value received" by the Government, UNDP and Bank, as a result of DMJM work for which additional remuneration in the amount of US\$302,000 was requested. DMJM suggested that the additional funds be provided by "Amendment No. 2" to their existing Contract with the Government of Bolivia.

DMJM explained that this presentation to the Bank was being made because their Contract provides that major changes shall be made only by formal amendment of the Contract, subject to approval by the Bank.

There was some discussion on the history of DMJM's Contract, particularly the circumstances under which Amendment No. 1 was made. Attachment 2 to this memorandum is copy of my report on a meeting held in Los Angeles on January 26, 1968, prior to the signing of Amendment No. 1, as the understandings reached at that time are relevant to the problem at hand.

After DMJM completed their presentation, there were brief comments by Bank staff on the following points:

- (a) Mr. Riley pointed out that the Bank does not know of any precedent of an additional allocation of funds by the UNDP in a similar case.
- (b) Mr. Scott pointed out that the consultants' request for additional remuneration should be directed at the Government of Bolivia in the first instance.

May 27, 1969

- (c) I asked whether an attempt had been made to identify the parts of the additional costs allegedly incurred by them with the ten points of "additional value received" in their letter. The consultants replied that this has not been done and would be very difficult.
- (d) Mr. Scott asked DMJM's legal counsel whether he believed that the consultants had a claim under their existing contract; the reply was affirmative.
- (e) Mr. Scott asked Mr. Mendenhall what steps would be contemplated if the present request did not result in additional remuneration. Mr. Mendenhall replied that this would be up to the board of directors of his firm. He explained that DMJM wished to explore the possibility of an adjustment of fee by contract amendment before considering any other action. He also stated that, in the event of a negative response to the present request, his board of directors would probably be inclined toward arbitration or other legal action.

At the conclusion of the meeting, the consultants were advised that we would have to review their letter after receipt and would not be able to comment further on their request at this time.

The consultants' letter has not yet been received. I understand that it will be mailed simultaneously to the Government of Bolivia and to the Bank some time this week.

The discussions to date have been concerned with two separate issues, which tend to get confused:

- (1) the issue of contract obligations, and
- (2) the issue of equity.

The letter first submitted by DMJM a few weeks ago and subsequently withdrawn tried to make a claim on the basis of the first issue. The letter read to us by the consultants last Thursday dwells on the second issue, but the "flip charts" used during their presentation brought in the first issue again.

I do not believe DMJM has a defensible claim on the first issue. The Legal Department will review the records on file and let us know. On the second issue, there may be some merit in discussing the possibility of an adjustment, but a much smaller one than the consultants suggest. In view of the deficiencies of DMJM's Draft Final Report, however, I believe it would be inappropriate to make a judgement on the issue of equity until the revised Final Report has been received in both English and Spanish.

PEngelmann:vbr

Attachments

cc: Messrs. Chadenet, Geolot, Piccagli, Skillings, Riley, Scott, Sassoon, R. Jones, North, Loven, Parthasarathi, Dominguez, Operational Files.

Attendance at Meeting in Bank May 22, 1969For DMJM

Mr. I. F. Mendenhall	President
Mr. L. K. Madsen	Vice-President
Mr. B. F. Mountain	Vice-President
Mr. D. Walsh	Project Director
Mr. L. A. Ehrig	Contract Officer
Mr. J. Janetatos	Legal Counsel, from Baker & McKenzie Law Firm, retained by DMJM.

For Bank

Mr. R. F. Skillings	Western Hemisphere Department
Mr. V. J. Riley	Development Services Department
Mr. H. N. Scott	Legal Department
Mr. D. M. Sassoon	Legal Department
Mr. R. Jones	Treasurers' Department
Mr. J. D. North	Transportation Projects Department
Mr. R. A. D. Loven	" " "
Mr. M. S. Parthasarathi	" " "
Mr. F. J. Dominguez	" " "
Mr. P. Engelmann	" " "

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. Warren C. Baum

DATE: January 29, 1968

FROM: Peter Engelmann

SUBJECT: BOLIVIA - Transport Survey
Discussions with Consultants on Contract Budget
Back-to-Office and Full Report

On January 26, 1968 I attended a meeting in the offices of Daniel, Mann, Johnson and Mendenhall (DMJM) in Los Angeles, to discuss budget problems that had arisen in connection with the above named Survey. The meeting was also attended by four representatives of Stanford Research Institute (SRI) and two representatives of A. M. Vorhees & Associates (AMVA), subcontractors to DMJM for this project.

Background

Correspondence and discussions in the last three months with the Government of Bolivia, the UNDP, and DMJM had resulted in general agreement on a change in the work program for this Survey. Instead of the team completing the Draft Final Report in Bolivia, as originally intended, all staff would return to the United States in the second half of December 1967. Except for visits by the project manager and by a small group engaged in the "Wet Season Traffic Survey," the team would not return to Bolivia in the last three months of the project (January through March 1968); four or five Bolivian counterparts would join the consultants in California during this period. There had also been tentative agreement on an extension of one year for the advisory services of one railroad economist on the team and on an increase in the UNDP contribution, from US\$785,000 to US\$875,000.

These changes were to be implemented by Amendment No.1 to the consultants' contract with the Government. A draft of this amendment had been circulated to the Working Party in December but had not been cleared, because several issues remained to be resolved with the Government and the UNDP.

Present Situation

Last week DMJM advised the Bank by telephone that a review of their work program with SRI and AMVA, after the return of the entire team from Bolivia, had established the need for a further increase in the foreign currency contract ceiling, from US\$875,000 to US\$975,000. The proposed increases were to be primarily in the following categories:

<u>Home Office Personnel</u>	<u>From(*)</u>	<u>To</u>
DMJM: Man-Days	692	1,130
Cost (US\$)	74,000	110,000
 SRI : Man-Days	 578	 853
Cost (US\$)	91,000	125,000
 AMVA: Man-Days	 337	 519
Cost (US\$)	40,000	57,000
 <u>Travel Expense</u>	 60,000	 67,000

DMJM was informed by the Bank that additional funds for this project, beyond those tentatively approved for Amendment No.1 to the contract, are not likely to be available from the UNDP and that the Survey would have to be completed in accordance with the terms of reference, without further increases in cost. As a substantial portion of the requested increase originated with SRI and AMVA, it was agreed to discuss this matter with the entire group at the scheduled meeting in Los Angeles January 26, 1968.

The first part of the meeting consisted of a recitation of all the difficulties that had been encountered by the consultants in Bolivia; these consisted primarily of:

- (a) Unavailability of a reasonable amount of reliable data on nearly anything (traffic, costs, agricultural production, etc.).
- (b) Inadequate performance by the Government supporting staff.
- (c) Distrust and lack of cooperation by various Government agencies.

It was explained that these conditions have resulted in the need to develop basic information by the consultants while in Bolivia. Consequently the amount of work that now remains to be done in the home office, including data processing, is larger than originally contemplated.

(*) Approximate figures included in the December 1967 draft of Amendment No.1 to the consultants' contract.

In view of these conditions the consultants requested that the budget be increased and that the time for completion of the Draft Final Report be extended. The contract now calls for completion of the Draft Final Report by April 10 and the consultants had scheduled submittal of the Draft in English by March 15. They now suggest that the submittal date for the Draft in English and Spanish be extended to May 15.

During the second part of the meeting, I explained that these conditions were not entirely unforeseen and that, in addition, increases in the budget have been approved by the UNDP and the Bank for additional data collection and processing. I further explained that the present shortage of funds in the UNDP would make it practically impossible to obtain an increase in the budget for this Survey beyond the figures already approved, with the possible exception of reimbursement of local costs of the "Dry Season Data Collection," for which US\$15,000 equivalent had been requested by the Government and the Bank (Notice of approval by the UNDP of this additional amount was received by telephone before the end of the meeting). I stated that an extension of time to May 15, 1968, would be acceptable to the Bank, if there is no further increase in cost.

The consultants inquired whether there would be a possibility at a later stage to submit a request for reimbursement of additional costs incurred in connection with the completion of the project. I advised them that it was most unlikely that any future request would meet with approval by the UNDP or the Bank and I requested that the consultants complete the services, in accordance with the contract, within the funds now allocated.

The representatives of DMJM, SRI, and AMVA agreed to proceed with the work in accordance with the revised work program and to complete the project within the present budget allocation.

Conclusions

There will be no increase in the foreign and local currency costs reimbursable by the UNDP beyond the amounts now approved (US\$875,000 + US\$15,000 = US\$890,000).

The consultants will prepare a revised version of draft Amendment No.1 to the contract, which will be submitted to the Government by the project manager during his visit to Bolivia this week; copies of the draft will be mailed simultaneously to the Bank for comment.

PEngelmann:vbr
IBRD

cc: Mr. Chadenet, Mr. Bell, Miss Van Gasse, Mr. Sadove, Mr. Lipkowitz, Mr. Piccagli, Mr. Lind, Miss Maher, Mr. Favilla, Mr. Riley, Mr. R. Jones, Mr. Sassoon, Mr. North, Mr. Parthasarathi, Mr. Regling, Operational Files, Chronological Files, Front Office Files.

OFFICE MEMORANDUM

TO: Files

DATE: May 23, 1969

FROM: Vincent J. Riley SUBJECT: BOLIVIA: Integrated Transport Survey (DP/SF/310 BOL 15)

I advised Myer Cohen by telephone today about our discussions yesterday with representatives of Daniel, Mann, Johnson and Mendenhall about the above project and DMJM's request for additional compensation on the project. I also advised him that a possibility existed that arbitration might be requested or a suit brought by the consultants. I said that we were expecting a letter setting out the consultants' arguments and that, if we received that letter, we would send a copy to his office.

Mr. Cohen was leaving today for Europe and will not return until sometime in July. He advised me that in his absence we should refer any questions relating to this case to Mr. Makiedo, Director of the Programme Division, unless they were legal questions in which case they should be taken up with Mr. Manuel Mendez, Chief of the Agreements Section of the Field Co-ordination and Agreements Division.

While I did not review any of the facts or details relating to the case, Mr. Cohen indicated he had no concern over the matter.

VJR:cbh

cc: Mr. H. Scott/Mr. D. Sassoon
Mr. Engelmann
Mr. R. Jones
Mr. Skillings

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP	Date
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NAME	ROOM NO.
Mr. Don. R.	
Mr. Riley	
Thank you	

<input type="checkbox"/> To Handle	<input type="checkbox"/> Note and File
<input type="checkbox"/> Appropriate Disposition	<input type="checkbox"/> Note and Return
<input type="checkbox"/> Approval	<input type="checkbox"/> Prepare Reply
<input type="checkbox"/> Comment	<input type="checkbox"/> Per Our Conversation
<input type="checkbox"/> Full Report	<input type="checkbox"/> Recommendation
<input type="checkbox"/> Information	<input type="checkbox"/> Signature
<input type="checkbox"/> Initial	<input type="checkbox"/> Send On

REMARKS

Attached is a paper relevant to the DMJM claim for extra compensation on the Bolivia Transport Project. I see no case against IBRD and am unconvinced and unmoved about any "equitable adjustment".

From

[Signature]

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

5/23/69

Attached is the consultant's "case"
on the Bolivia Transport study. This particular
letter was written by Adams but it is to be
replaced by another, read to us yesterday,
that is essentially the same.

The letter fails to note that:

(1) The contract is between Bolivia

+ DMJM. The Bank is not a party.

(2) Because of additional data collection
costs AND other reasons, the contract AND
Plan of Operations, were amended in February
1968 to give the consultants \$105,000 extra.
This was two months after all field
work was completed in Bolivia.

W

DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

28 April 1969

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, F.A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

Ministry of Planning and Coordination
Government of Bolivia
Casilla 3116
La Paz, Bolivia

Attention: Ing. Dante Pavisich

and

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Attention: Mr. Warren C. Baum

Gentlemen:

Subject: BOLIVIA - Transport Survey

In our letter to you of December 27, 1968, you were again made aware that the Consultants had performed extra work and incurred expenses in excess of the amount contemplated in the Agreement for the Bolivia Transport Survey. This extra work has resulted in the development of statistical and information resources of continuing value, not only to the Survey, but to the Government of Bolivia, World Bank and United Nations, as well as other agencies and institutions.

Since these items of residual value were developed by the Consultants through their extra work efforts, for which they have not been compensated, we hereby request compensation for the reasonable value of the resources developed. To assist in the evaluation of this request, the following information is provided to describe the resources developed by the Consultants:

Background

A comprehensive and accurate resource of basic statistical data is mandatory to the conduct of survey such as that intended for transportation in Bolivia.

Shortly after the arrival of the project team in Bolivia, the necessity for extensive data development became apparent. The early review of the required data base available in the Country revealed that a great deal of the statistics were not available and that which was available was not of sufficient accuracy for the intended use. Significant portions of available data furnished by the Government were not found to be inadequate or inaccurate until much later when inconsistencies and latent errors were noted as the material was being used in analysis. Due to the lack of the essential data, and since the Consultants could not have prepared a competent Final Report without a resource of data, the Consultants undertook to develop the data resource which was originally contemplated to be available in Bolivia. The Consultants were assisted in the data development efforts by Bolivian counterpart personnel.

Data Development

The following is a summary of the more significant data developed which provides continuing benefits to Bolivia and others in addition to that contemplated in the Contract:

1. Industrial Production

Industrial statistics in Bolivia had, previous to the Survey, been recorded only in terms of monetary value. While statistics of that nature have value, they are not useful for purposes requiring production unit quantities. It was necessary for the Consultants to conduct extensive field investigations to obtain the production unit quantities and rates of consumption on a product-by-product and Department-by-Department basis.

These statistics are set out in detail in Volume II, Part B, Economics, at Pages IV-276 through 358. The tables of statistics as they stand represent the most comprehensive compilation of industrial production statistics on the basis of production quantities developed for the Bolivian economy. The methods and procedures established by the Consultants and presented in the Report could be implemented by the Government for the continuation of the statistical records. This will, of course, be of continuing value to the Ministry of Planning and also to the Ministry of Economy for tax control purposes as well as to anyone doing research into the economy of the Nation.

2. Agriculture

An entire volume of the Final Report, Volume II Agricultural Supplement, is devoted almost entirely to the display of original agricultural statistics collected by the Consultants. The extraordinary contribution of the Bolivian nationals connected with this portion of the study is noted in the special acknowledgment at the beginning of Volume I. These were

the 75 agricultural agents who were specially trained by the Consultants in agricultural production evaluation methods.

The new data base developed by the Consultants provides the basis for the Government's continued accumulation of necessary agricultural statistics with the special trained agricultural agents already available to the Government.

We believe that the agricultural data now available in Bolivia, because of the work of the Consultants, gives a more comprehensive picture of the Nation's agriculture than is available in any other Latin American country.

3. Highway Vehicles

To have any satisfactory Highway Vehicle Statistics, it was necessary to conduct a survey by Departments (Province). The data collected is shown on Pages V-13 through 23 of Volume II, Part B, of the Final Report.

This data is more comprehensive than the estimates previously available to the Government and is now useful for various planning purposes, especially future highway development, taxation and licensing.

4. Railroad Traffic

The nature and quality of existing railroad traffic data is discussed at Page 99 of Volume III of the Final Report. The means of developing the required data and recording the results in a consistent and accurate manner were established by the Consultants. If the established means is put into continual operation and with the Consultants' data base, the railroads will be able continually to have reliable information available for economical management of the railroad.

Maps 16 through 26 in Volume III were developed especially for this study and represent a useful method of display of the new and accurate data generated for this Survey. These maps will be useful for evaluating current activity as well as for future planning purposes.

5. Pipelines

Prior to the study, no accurate pipeline data was available for the two pipeline systems in Bolivia. It was necessary to generate nearly all of the data now contained in Volume VIII of the Final Report. This is the first set of accurate data ever made available on Bolivian pipelines.

It was gathered by the Consultants through inspection of the facilities and other data-gathering activity in the field. If properly utilized, this information can be of much value in the management and operation of the present and expanding system.

6. Waterway Transport

The study conducted has produced a comprehensive compilation of the cargos moving on Bolivia's waterways as domestic cargo and the cargo headed to and from the ocean ports. No accurate and useful data on these movements existed prior to the study.

This new data is set forth in Volume VI of the Final Report. The format provided will be useful in maintaining the data gathering program being carried on by a recently established authority within the Bolivian Naval Forces. Further, the traffic information contained in the Report can serve as a baseline for verification of waterway traffic revenue (duties and other transport fees) collected by the Government.

7. Highway Traffic

One of the most significant bodies of data collected consists of the highway origin and destination data obtained by the Consultants through two O&D surveys (the wet-season survey was included in an amendment to the Contract).

As a result of the two surveys conducted, the needed data is now available, but of equal importance is the existence of a well-trained team of Bolivian nationals capable of obtaining updated statistics as they become necessary.

The presence of base data and the existence of the ability to continue to accumulate new data provides permanent value to the Ministry of Planning in establishing and evaluating highway maintenance and improvement programs.

8. Air Transport

The new data collected for passenger and cargo transportation by airline is set forth in Volume VII of the Final Report. This includes comprehensive tables showing origin and destination information for both passengers and cargo. Not only was this data developed for purposes of this study, but it has been compiled and displayed in the Final Report so that it will be a permanent record available for use by the airport and aviation authorities in management and development programs.

9. Highway Inventory

The Consultants have gone to great length to make the highway inventory conducted one of the most useful bodies of basic data developed for the study. All of the bridge inventory forms have been printed as a special volume of the Final Report, and the highway data has been set out in a very useful compilation in another separate volume.

This detailed display and preservation of information was performed for the benefit of the Government which will be able to make use of the data for many years to come.

10. International Agreements

The Consultants have translated into English all of the international agreements of Bolivia relating to transportation, and have collected all of them in a separate volume published as part of the Final Report. The availability of such complete information in a single volume is extremely valuable to the Government in its relationship with external agencies.

Summary

The foregoing summaries of data development activity identify the extraordinary amount of work accomplished by the Consultants in these efforts. All of this effort was undertaken because it was necessary, without which the study could not have been successfully completed. It must be borne in mind that the work of data development was never thought to be necessary by any of the parties at the time of negotiation of the contract.

The basic data developed by the Consultants has been made a part of the Final Report so that it will be preserved in an easily accessible form. Even though this is not required by the Contract, the Consultants felt that the substantial data development activities have produced material of such great value that it is important to preserve it in that form.

The material developed and preserved is now available for the conduct of many other types of studies by whatever agency. As pointed out earlier, the data, if maintained and updated by the Government, will serve as valuable tools in such areas as taxation, agency operations and controls and development growth projections.

We are aware that recently many agencies are awarding contracts for the sole purpose of developing the data resource for contemplated studies. Further, we are aware that frequently the cost of such data development far exceeds the compensation requested herein. We were able to perform the development effort more economically since the team was already mobilized and other contract work elements were benefited simultaneously.

Ministry of Planning and Coordination
Government of Bolivia
and
International Bank for Reconstruction
and Development
Re: Bolivia - Transport Survey

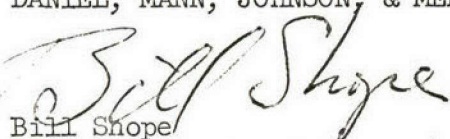
28 April 1969
Page 6

Conclusion

The Consultants request that they be compensated in the amount of \$302,946 for the extra value provided through the additional work performed by them. The requested amount includes the costs incurred by DMJM, as well as significant amounts required by Stanford Research Institute and Alan M. Voorhees & Associates. We will be pleased to provide such additional information as may be required for your consideration of this request.

Very truly yours,

DANIEL, MANN, JOHNSON, & MENDENHALL


Bill Shope
Vice President and Manager
International Operations

DMJM

confid
Mr. Riley

May 16, 1969

Mr. Irvan F. Mendenhall
President
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Re: BOLIVIA - Transport Survey

Dear Mr. Mendenhall:

Thank you for your letter of May 8, 1969 informing us of the work which is proceeding on the Final Report for the above named project.

With regard to the question in the last paragraph of your letter, we have asked the Government to include the number of copies we require in their advice to you on the total number of copies to be submitted. We trust that the Government will be in touch with you on this matter shortly. For your advance information, the number of copies required for the Bank and the UNDP (excluding the number of copies required by the Government) are as follows:

Complete sets in English (Vols.I to VIII with all Appendices)	16
Additional copies of Vol. I in English	10
Complete sets in Spanish (Vols.I to VIII with all Appendices)	4

Sincerely yours,

Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department

PEngelmann:vbr
cc: Messrs. Sadove, Geolot, Skillings, Sassoon, Parthasarathi, Riley.

DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

May 8, 1969

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, F.A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

MAY 13 1969

Mr. Peter Engelmann, Chief
Preinvestment Services Division
Transportation Projects Department
International Bank For Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

Projects Dept. Correspondence

ANS'D BY PK

DATE 5/16/69

Dear Mr. Engelmann:

Re: Bolivia - Transport Survey

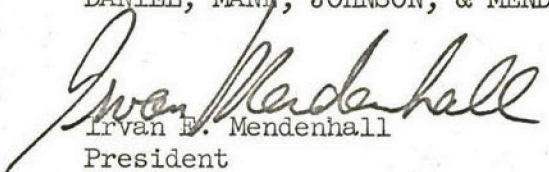
Receipt is acknowledged of your letter dated April 18, 1969, whereby you forwarded the Bank's comments on the Draft Final Report for referenced project.

I am writing this letter to confirm verbal advice of our staff that DMJM and other team members are proceeding as rapidly as possible to make necessary corrections and publish the final report. In this regard, we have contacted the Government of Bolivia, soliciting early receipt of their comments. The Government's comments have not as yet been received but in order to expedite publication of the final report, we are for the time being assuming they will be similar to the Bank's comments and are proceeding accordingly in order not to encounter undue delay.

In regard to the final reports, we have requested your advice as to number of copies required, both in English and Spanish, for each report volume. We would appreciate your early response.

Yours very truly,

DANIEL, MANN, JOHNSON, & MENDENHALL


Irvan F. Mendenhall
President

cc: Barry Mountain, DMJM/D.C.



FROM THE DESK OF

BARRY MOUNTAIN

May 15, 1969

Dear Mr. Englemann:

In accordance with my telephone conversation, enclosed is the TWX relating to our 22 May meeting.

I look forward to your advice as to the time and place and the identity of Bank representatives to be in attendance.

Best regards.

BFM/gm

PLANNING § ARCHITECTURE § ENGINEERING § SYSTEMS § ECONOMICS

Memo Nr 69702

TO : FRANCISCO J. DOMINGUEZ
Pre-Investment Service Div.
FROM : E. Felix Schwarz, La Paz
Subject: Bi-monthly report of activities
Date : May 15th 1969

Received May 21-1969

confil
BOL-15

During the last two month my principal attention was concentrated in following two items:

- 1) Pre-installation of the Railroad computer and
- 2) Instalation of accounting machine 33.

Regarding the first item, I had dayly meetings with the Programmers, who are preparing the first computer program related to payrol. Together with Mr. Del Barrio, who is the second boss of the accounting Department here and who received computer training in Puerto Rico, we are developing step bystep all points which must be ready for the time when the computer will be to our disposal.

This is a work which takes much time and must be discussed in all details.

Related to the second item - accounting machine - I am checking dayly the work which the machine-operators are doing. As the peopel here never before worked with an accounting machine - I have to give them all details how to process the accounting in such a machine. We have started already to register January and February of this year and I hope that in some month the accounting will be nearly "up to date" in their work. Actually the accounting is some 6 month behind their schedul.

Besides the two items mentioned above - I have prepared all documentation to mechanize the work of payed checks. Actually all checks payed by the railroad are done by hand - and this will be changed in accordance to my planning. The Management accepted this idea. As soon as the periferic computer equipment will arrive here, which possibly will be during next month, we hope to realize this mechanization of payed checks.

Together with an economist who is working for me, I am preparing a study about the cost of maintenance of way. This study referes to 1968 and related to districts and sections and also to labor cost, material, contracts and cost of overhead.

Each week I have meetings with the Railroad Management. - They agree now to incorporate the Eastern Railroad in the Western one. This we will realize during next month.

There are thousand other problems here too - because the financial situation of the Railroad is very bad. The Government does not give their part to pay the Japanes and German loans.

Finally I would like to informe you that the Minister of Public work is still Ing. Gustavo Mendez but the Minister of Planification is now Mr. Lucio Paz Rivero. This because the death of President Barrientos (Helicopter accident) and the new President liks to have his peopel in this positions. - I have a meeting with this new Minister - I and would like to inform you too, that he is not interested in taking part of the DMJM report. He just has no time to study it and will not take care of it. He has new planns and does not believ in this Transport study. Sorry - this study got lost!

Your truly

Felix
Felix

PS Enclosed my Memo 16 regarding fellowships.

DMJM DC
10:32 AM

DMJM LA
15 MAY 1969

TO BARRY MOUNTAIN WASHINGTON DC
FROM L K MADSEN LOS ANGELES
SUBJECT BOTRAN CONTRACT ADJUSTMENT MEETING

1. THIS IS TO ADVISE THAT THE PRESENTATION TO MR. ENGLEMAN SCHEDULED FOR MAY 22 WILL BE ATTENDED BY:

L.K. MADSEN, VICE PRESIDENT, AND REPRESENTING THE GENERAL MANAGER, HAS BEEN DESIGNATED TEAM LEADER AND WILL CHAIR THE MEETING FOR DMJM.

L.A. EHRIG, CONTROLLER, ATTENDING BECAUSE OF HIS KNOWLEDGE OF PRE-CONTRACT NEGOTIATIONS AND COSTS INCURRED DURING PERFORMANCE.

DON WALSH, PROJECT MANAGER

IN ADDITION, ATTENDANCE IS INTENDED BY:

I.F. MENDENHALL, PRESIDENT, ATTENDING BECAUSE OF MANAGEMENT'S GREAT CONCERN TO ASSURE EQUITABLE ADJUSTMENT.

B.F. MOUNTAIN, VICE PRESIDENT, WASHINGTON, D.C. REPRESENTATIVE. COGNIZANCE HAS BEEN TAKEN OF YOUR IBRD MEETING BUT IT IS HOPED YOU WILL BE ABLE TO ATTEND SESSIONS WITH MR. ENGLEMAN.

JACK JANETATOS, ATTORNEY, BAKER & MCKENZIE LAW FIRM. I HAVE GIVEN CONSIDERABLE THOUGHT AS TO ATTENDANCE BY ATTORNEY. I HAVE DECIDED AFFIRMATIVELY BUT HOPE THE MEETING CAN BE SO CONDUCTED AS NOT TO FALL INTO A LEGAL PRESENTATION. ON THIS BASIS, IT IS MY INTENT THAT ATTORNEY ATTENDS AS AN OBSERVER.

Mr. Riley
perf

Mr. R. Sadove

May 9, 1969

Peter Engelmann

BOLIVIA - Transport Survey

The attached letter from Daniel, Mann, Johnson and Mendenhall (DMJM) was handed to us today and, as requested by them, we returned to the consultants their letter of April 29, 1969.

The consultants have requested a meeting in the Bank on May 22, to explain the reasons for their overrun in costs and to present their views regarding the justification for additional reimbursement. I have agreed to such a meeting and will ask Project Department's staff concerned with this Survey as well as Area, Legal and Development Services Departments to attend.

PEngelmann:vbr
Attachment

cc: Mr. Chadenet
Mr. Skillings
Mr. Sassoon
Mr. Riley ✓

DANIEL, MANN, JOHNSON, & MENDENHALL

May 8, 1969

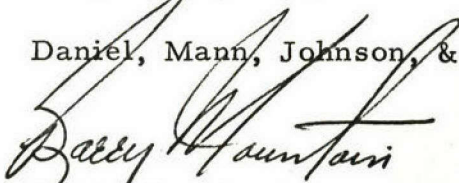
Mr. Peter Englemann
Chief, Preinvestment Service Division
Transportation Projects Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear Mr. Englemann:

At the conclusion of our meeting held at your office on 29 April, we presented a letter jointly addressed to you and the Ministry of Coordination and Planning of the Government of Bolivia, relating to our integrated transportation study. We advised that it was our intent to translate the letter into Spanish and within two week period dispatch the letter to the Ministry at La Paz. In the interim we have not prepared a translation, since we have decided not to dispatch this letter. I am therefore requesting that the original letters be returned. Thank you for your assistance in this matter.

Very truly yours,

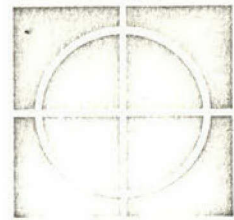
Daniel, Mann, Johnson, & Mendenhall



Barry F. Mountain
Vice President

BFM/gm

DMJM



PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

file

May 7, 1969

Mr. H. L. Maggs
Deputy Chief, Policy Section
Financial Management and
Administrative Policy Division
United Nations
New York, N.Y. 10017

Dear Mr. Maggs:

We enclose six copies of Adjustment Advice No. 1 pertaining to the Plan of Operation for the Bolivia Integrated Transport Survey (BOL 15) for your signature.

Sincerely yours,

Francis E. Poore
Deputy Controller

cc: Messrs. V. Riley
E. Powell
J. Reamy
Rutland
V. Chang
Murias
Miss Lannon

FILE: UNDP - Bolivia - Integrated Transport Survey

JDuarte/ar

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA - INTEGRATED TRANSPORT SURVEY

Adjustment Advice No. 1

This Plan of Operation is adjusted as follows:

.... The attached Appendix I, Plan of Expenditure - Special Fund Allocation, has been revised as indicated to reflect minor adjustments in the Work Plan.

Signed: _____

Date:

UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

Country: Bolivia

Title of Project: Integrated Transport Survey

APPENDIX I

PLAN OF EXPENDITURE

SPECIAL FUND ALLOCATION
(in US dollars)

	Total Project Costs	Expenditures				
		1966	1967	1968	1969 *	1970 *
Experts	35,000	-	-	-	30,000	5,000
Fellowships	46,700	-	-	14,509	32,191	-
Equipment	-	-	-	-	-	-
Sub-Contract	890,000	-	463,659	406,617	19,724	-
Miscellaneous	-	-	-	-	-	-
<u>Total Project Costs</u>	971,700	-	463,659	421,126	81,915	5,000
Agency Overhead Costs	11,000	1,500	2,500	4,000	3,000	-
SF Direct Costs	3,800	2,690	-	-	1,110	-
<u>Total Special Fund Allocation</u>	986,500	4,190	466,159	425,126	86,025	5,000

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

* Estimated

May 7, 1969

Mr. H. L. Higgs
Deputy Chief, Policy Section
Financial Management and
Administrative Policy Division
United Nations
New York, N.Y. 10017

Dear Mr. Higgs:

We enclose six copies of Adjustment Advice No. 1 pertaining to the Plan of Operation for the Bolivia Integrated Transport Survey (BOL 15) for your signature.

Sincerely yours,

Francis R. Poore
Deputy Controller

cc: Messrs. V. Riley
E. Powell
J. Reamy
Rutland
V. Chang
Murias
Miss Lannon

FILE: UNDP - Bolivia - Integrated Transport Survey

JDuarte/ar

UNITED NATIONS DEVELOPMENT PROGRAMME

(SPECIAL FUND)

PLAN OF OPERATION

BOLIVIA - INTEGRATED TRANSPORT SURVEY

Adjustment Advice No. 1

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UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

Project Symbol: BOL 15

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APPENDIX I

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Sub-Contract	890,000	-	463,659	406,617	19,724	-
Miscellaneous	-	-	-	-	-	-
<u>Total Project Costs</u>	971,700	-	463,659	421,126	81,915	5,000
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SF Direct Costs	3,800	2,690	-	-	1,110	-
<u>Total Special Fund Allocation</u>	986,500	4,190	466,159	425,126	86,025	5,000

Project Symbol: BOL 15

Agency: IBRD

Code No.: 737

* Estimated

our fib

Bo1 15

May 7, 1969 - 11 AM

Nurick called to request notification of UNDP. I agreed.

See his note

~~May 7~~ - 11:15 Called Engelmann office ~~to~~ to get copies of correspondence involved. They were moving. Finally received documents about 4:30

~~May 7~~ - 5:30 Draft letter typed. Hand carried for clearance at 9 a.m. May 8

11:00
May 8 - Spasoon objected to my draft. Requested we send DMJM letter itself to UNDP

11:30 Engelmann agreed in substance with original letter but objected strenuously to transmitting copy of DMJM letter.

12:30 Called Nurick - out

3:30 ~~Called Nurick again~~ Engelmann called to say DMJM was sending over message to retract their letter. Spasoon had been informed.

3:30 Called Nurick again. He will review with colleagues

May 9 - 3:00 / Discussed with Donath who feels we should NOT refer to UNDP, or involve them in far-out possibilities of suit. Colling, Timing of amendment, Govt-DMJM Contract etc.

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

5/7

NAME

ROOM NO.

Mr. Killings

A 521

Mr. Riley

No comment

WJS

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

V. J. Riley

2/77

DP/SF/310 BOL 15

DRAFT
VJRiley:cbh
May 7, 1969

Mr. Myer Cohen
UNDP, New York

Dear Mr. Cohen:

BOLIVIA: Integrated Transport Survey

In connection with the above project, representatives of the subcontractor, Daniel, Mann, Johnson and Mendenhall (DMJM), visited the Bank on April 28. They discussed with the Bank, at that time, various additional costs incurred in carrying out this project and their belief that they should be compensated for these costs. The amounts involved totaled about \$303,000. As you know, the contract in this case is between the consultants and the Government.

It is the view of the Bank that these claims are not justified, and this was indicated to DMJM at the time of our discussion. We have subsequently been informed by telephone that the consultants have not communicated this claim to the Government and that they are now considering withdrawing the letter which they left with us wherein these claims were set out.

Pending further word from the consultants, we do not believe any action is required at this time. We shall, however, keep you promptly informed of any new developments.

Sincerely yours,

Vincent J. Riley

cc and clearance: Mr. Engelmann
Mr. Skillings
Mr. Sassoon

ROUTING SLIP	Date 5/7
--------------	--------------------

NAME	ROOM NO.
Mr. Sassoon	B808
Mr. Riley	C-805

<input type="checkbox"/>	To Handle	<input type="checkbox"/>	Note and File
<input type="checkbox"/>	Appropriate Disposition	<input type="checkbox"/>	Note and Return
<input type="checkbox"/>	Approval	<input type="checkbox"/>	Prepare Reply
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Per Our Conversation
<input type="checkbox"/>	Full Report	<input type="checkbox"/>	Recommendation
<input type="checkbox"/>	Information	<input type="checkbox"/>	Signature
<input type="checkbox"/>	Initial	<input type="checkbox"/>	Send On

REMARKS

Vincent,
for clearance

I think all we ought to do is
send them a copy of Danja's letter for their
information and tell them we have heard their
consultants may wish to withdraw the letter and

From **V. J. Riley 2177** (PTO)

ROUTING SLIP

Date

2/7

NAME

ROOM NO.

2808

Mr. C. C. C. C.

Mr. C. C. C. C.

These are to be kept in the custody of
development,

David Jackson

Noted and file	Disposition
Noted and file	Disposition
Prepare Reply	Disposition
For the Corporation	Disposition
Recommendation	Disposition
Signature	Disposition
Send On	Disposition

DP/SF/310 BOL 15

DRAFT
VJRiley:cbh
May 7, 1969

Mr. Myer Cohen
UNDP, New York

Dear Mr. Cohen:

BOLIVIA: Integrated Transport Survey

In connection with the above project, representatives of the subcontractor, Daniel, Mann, Johnson and Mendenhall (DMJM), visited the Bank on April 28. They discussed with the Bank, at that time, various additional costs incurred in carrying out this project and their belief that they should be compensated for these costs. The amounts involved totaled about \$303,000. As you know, the contract in this case is between the consultants and the Government.

It is the view of the Bank that these claims are not justified, and this was indicated to DMJM at the time of our discussion. We have subsequently been informed by telephone that the consultants have not communicated this claim to the Government and that they are now considering withdrawing the letter which they left with us wherein these claims were set out.

Pending further word from the consultants, we do not believe any action is required at this time. We shall, however, keep you promptly informed of any new developments.

Sincerely yours,

Vincent J. Riley

cc and clearance: Mr. Engelmann
Mr. Skillings
Mr. Sassoon



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 05/07/1969	Document Type Letter			
Correspondents / Participants To: Files From: L. Nurick				
Subject / Title Bolivia - UNDP Transport Study				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

DP/SF/310 BOL 15

DRAFT
VJRiley:cbh
May 7, 1969

Mr. Myer Cohen
UNDP, New York

Dear Mr. Cohen:

BOLIVIA: Integrated Transport Survey

In connection with the above project, representatives of the subcontractor, Daniel, Mann, Johnson and Mendenhall (DMJM), visited the

Bank on April 28. *At that time, they presented a letter regarding their work on this project and claiming additional compensation therefor. A copy of the letter is attached.* They discussed with the Bank, at that time, various additional costs incurred in carrying out this project and their belief

that they should be compensated for these costs. *indicated are* The amounts involved

int. 2504 64 ~~total about \$300,000.~~ *\$300,000.* As you know, the contract in this case is between the consultants and the Government.

~~It is the view of the Bank that these claims are not justified,~~ *Subsequent to our discussion*
~~and this was indicated to DMJM at the time of our discussion. We have~~
with DMJM they claim that
~~subsequently been informed by telephone that they consultants have not~~
us
~~communicated this claim to the Government and that they are now considering~~
~~withdrawing the letter which they left with us, wherein these claims were~~ *3/25*
~~set out.~~

Pending further word from the consultants, we do not believe any action is required at this time. We shall, however, keep you promptly informed of any new developments.

Sincerely yours,

Vincent J. Riley

cc and clearance: Mr. Engelmann - ?
Mr. Skillings *NO comments*
Mr. Sassoon

In connection with the above project, representatives of the subcontractor, Daniel, Mann, Johnson and Mendenhall (DMJM), visited the Bank on April 28. They discussed with the Bank at that time various additional costs incurred in carrying out this project and their belief that they should be compensated for these costs. The amounts indicated are approximately \$300,000. As you know, the contract in this case is between the consultants and the Government.

Subsequent to our discussions with DMJM they informed us by *requested us not to* *transmit anything regarding this matter to* telephone that they have not communicated this claim to the Government and that they are now considering withdrawing ~~the~~^a letter which they left with us wherein these claims were set out.

Pending further word from the consultants, we do not believe any action is required at this time. We shall, however, keep you promptly informed of any new developments.

In connection with the above project, representatives of the subcontractor, Daniel, Mann, Johnson and Mendenhall (DMJM), visited the Bank on April 28. They discussed with the Bank at that time various additional costs incurred in carrying out this project and their belief that they should be compensated for these costs. The amounts indicated are approximately \$300,000. As you know, the contract in this case is between the consultants and the Government.

Subsequent to our discussions with DMJM they informed us by telephone that they have not communicated this claim to the Government and that they are now considering withdrawing ^a ~~the~~ letter which they left with us wherein these claims were set out.

Pending further word from the consultants, we do not believe any action is required at this time. We shall, however, keep you promptly informed of any new developments.

~~Mr. Sadove~~
Mr. RILEY

Mr. Bernard Chadenet

May 6, 1969

Peter Engelmann

BOLIVIA - Transport Survey

You inquired about a rumor that the Bank is being sued by consultants. We have no evidence at this time that this is so, but members of the Legal Department have expressed concern that the consultants for the Bolivia Transport Survey are contemplating to sue the Bank.

I believe there is no reason for concern on this point. The consultants, Daniel, Mann, Johnson and Mendenhall (DMJM) have handed us a letter requesting additional reimbursement of about US\$303,000 for "extra work." This letter was handed to us at a meeting attended by legal council to DMJM and by a member of our Legal Department. The attached draft memorandum to Mr. Sadove gives an outline of this meeting and the comments made by Bank staff; the letter by DMJM is also attached.

Since that meeting the consultants have asked us not to transmit anything regarding this matter to Bolivia. They have not yet mailed the letter to Bolivia and stated to me on the telephone that they are considering to withdraw it (the letter is addressed to both the Government and to the Bank).

I believe DMJM are now fairly convinced that they do not have much of a case. The ceiling of their contract has already been raised from US\$785,000 to US\$890,000. Their reputation is at stake, in view of the poor performance, particularly after their return from Bolivia. They will no doubt ask for further meetings to discuss the possibility of additional reimbursement, but so far they have failed to produce any evidence that was not considered at the time of the previous amendment to their contract.

PEngelmann:vbr
Attachments

cc: Mr. Sadove ✓
Mr. Geolot
Mr. Skillings
Mr. Park
Mr. van der Meer

TO: Mr. R. Sadove
FROM: Peter Engelmann
SUBJECT: BOLIVIA - Transport Survey (UNDP)

PE copy.
REVISED DRAFT
PEngelmann:vbr
May 1, 1969
I fully agree with you
5-1
DP
KCSK

At the request of Daniel, Mann, Johnson and Mendenhall (DMJM), the consultants for the Bolivia Transport Survey, a meeting was held in the Bank to discuss questions relating to their contract with the Government for this project. In attendance were:

Mr. Bill Shope	Vice President and Manager International Operations DMJM
Mr. Barry F. Mountain	Vice President DMJM
Mr. J. E. Janetatos	Baker & McKensie Legal Council to DMJM
Mr. F. Dominguez	Transportation Projects Department
Mr. David Sassoon	Legal Department
Mr. Peter Engelmann	Transportation Projects Department

The subject of discussion was the consultants' request for additional reimbursement in the amount of about US\$303,000 for "extra work" related to data development in the course of the Survey.

The consultants had with them a letter addressed to the Ministry of Planning and Coordination of Bolivia and to the Bank (copy attached). This letter was given to the Bank staff attending the meeting, with a request to comment on its content before Mr. Shope would sign it.

In the course of the ensuing discussion I commented on the following points:

- (a) The letter does not mention an addendum to the consultants' contract which was negotiated during the last months of the consultants' stay in Bolivia (November-December 1967) and signed after their return from Bolivia (February 5, 1968). At that time all difficulties relating to data development were known to the consultants. These difficulties were in large part the justification for Bank and UNDP approval of the amendment, which increased the foreign currency ceiling of the contract from US\$785,000 to US\$890,000.
- (b) In view of the history of delays on this project and the absence of any request by the Government or the Bank for increases in scope of the work after the February 1968 amendment, we can see no prospect of obtaining an additional allocation of funds from the UNDP.
- (c) The consultants have not followed the advice given them by the Bank on two points during a meeting in Los Angeles in January 1968:
- (i) that the consultants' team, after its return from Bolivia, be kept in one place until the Report is completed, rather than to disperse the members of the team to the Head Offices of IMJM (Los Angeles), SRI (in Menlo Park near San Francisco) and Alan M. Vorhees (in McLean, Virginia); and
 - (ii) that a serious effort be made to reduce the number of pages then contemplated for each volume of the Report.

I expressed the view that failure to act on these suggestions ~~has~~ contributed to the costs incurred by the consultants and to the delay which has occurred in completion of the Draft Final Report.

- (d) The timing of the attached letter would be unfortunate and I recommended that the consultants postpone any discussion of this subject until after the revisions have been completed and the printed Final Report delivered.

The Consultants did not give any substantive reply to these comments. They also did not indicate the steps they would take, if any, in the event of a negative reply from the Government. At the end of the meeting, Mr. Shope signed the attached letter and handed it to me. He indicated that a Spanish translation of the letter is being prepared and will be despatched to the Government of Bolivia within a few days.

My main concern ^{at this point} ~~on these points~~ is the reaction of the Bolivian Government to the attached letter. I fear that much of the success of the Bank mission in March may be jeopardized by this request, which I find poor in form, insubstantial in content and foolish in timing.

To minimize the effect of the attached letter in Bolivia, I recommend that the Bank's position be made known to the consultants and the Government as soon as possible and suggest that this be done in the form of a letter to DMJM, containing the comments mentioned in (a), (b) and (c) above.

To be cleared with and cc: Mr. Sassoon
cc: Mr. Skillings
Mr. Riley
Mr. Reamy

OFFICE MEMORANDUM

TO: Files

DATE: May 6, 1969

FROM: Vincent J. Riley *VR*SUBJECT: BOLIVIA: Transport Survey (DP/SF/310 BOL 15)

Last week Peter Engelmann advised me that representatives of DMJM had signed a letter outlining additional costs incurred by the firm and its subcontractors in carrying out the above project. The amount involved added up to \$300,000. This assertion by the consultants was reviewed in detail by the Bank, and Mr. Engelmann indicated his belief that the claim was without merit.

Yesterday Mr. Engelmann advised me that the consultants had telephoned to say that they had not sent this letter to the Government with whom they have the contract, and they were considering withdrawing the letter that they gave to the Bank. Subsequently I talked to Mr. Sassoon who suggested advising UNDP. He agreed, however, that, because of the uncertain state of the consultants' claim, it would be satisfactory to wait for clarification. He also said that it would be satisfactory for the Bank to express the view that the claim was unjustified but that we should proceed cautiously and should not at this time give UNDP a detailed analysis of why we believe the claim is unjustified.

The matter is suspended pending further word from the consultants.

VJR:cbh

On file

April 28, 1969

Mr. Dante Pavisich
Ministro de Planificacion y Coordinacion
Ministerio de Planificacion y Coordinacion
La Paz, Bolivia

Re: BOLIVIA - Transport Survey

Dear Mr. Minister:

We have inquired from UNDP how many copies of the DMJM Report they will need. We have now received their answer and the total number of volumes needed by UNDP and the Bank is as follows:

Complete sets in English (Vols. I to VIII with all Appendices)	16
Additional copies of Vol. I in English	10
Complete sets in Spanish (Vols. I to VIII with all Appendices)	4

Will you be so kind as to include this request in your instructions to the Consultants regarding the number of Report they are to provide.

We have just received news of the terrible catastrophe Bolivia has suffered. Be assured that all your friends in the Bank join me in expressing our deep sympathy.

With kind personal regards,

Yours Sincerely,

Robert F. Skillings
Western Hemisphere Department

cc. Mr. Riley
Mr. Engelmann
Mr. Dominguez

RFSkillings:mdk

Mr. Francisco Dominguez

April 25, 1969

Vincent J. Riley

BOLIVIA: Transport Survey

Mrs. Ann Francis, Reports and Statistics Division, Bureau of External Relations, Evaluation and Reports, UNDP, advised me today in response to my telephone inquiry of yesterday that UNDP requirements for the report on the above project are six complete sets in English and four complete sets in Spanish. No additional copies of Volume I are required. She also advised me that UNDP's normal requirement in which only one language is involved is eight complete sets, but this is changed in this instance because the report is in two languages.

VJR:cbh

Mr. Robert F. Skillings

April 24, 1969

Vincent J. Riley

Bolivia Transport Survey Mission Report

I have read your draft report with interest and satisfaction. It clearly appears that the early information we received that the mission was very successful is borne out by your report.

I have only one disagreement with your conclusions. In paragraph 18 you suggest that the Bank consider a grant for consultants to assist in preparing a five-year program of investment and in carrying out other measures relating to the railroads. I do not believe that this should be done by Bank grant unless UNDP is unable to do it. Particularly I think we should consider attaching this assistance to the proposal for technical assistance for the railways already pending in UNDP. While it is true that the latter will not be approved by the Governing Council before January 1970, it would be possible to initiate the program, with advance authorizations, as early as November. I doubt that we would get a Bank grant and get field work started under it much before that time. First, of course, a decision has to be made about IDA's intentions regarding the Bolivian railroads, and the agreements you mention on page 12 must be reached.

I would be happy to discuss this further with you.

VJR:cbh

M. Riley
fil

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. R. Sadove

DATE: April 23, 1969

FROM: F. J. Dominguez, P. Engelmann and M. S. Parthasarathi

SUBJECT: BOLIVIA - March 1969 Transport Mission

Record of Discussions on:

- (a) General Conclusions and Economic Volumes of the Consultants' Report.
- (b) Ports and Waterways.
- (c) Aviation

Back-to-Office and Full Report

1. The purpose of the March 24-29 transport mission to Bolivia was to discuss with the Government the Draft Final Report on the Bolivia Transport Survey (prepared by Daniel, Mann, Johnson and Mendenhall under contract to the Government, with UNDP financing) and to identify projects which may be suitable for IDA financing (see mission's terms of reference dated March 19, 1969). The mission was headed by Mr. Robert F. Skillings, whose memorandum of April 23, 1969 to Mr. Alter summarizes the general findings and conclusions of the mission. Separate reports to you are being prepared by Mr. North on the subject of highways and by Messrs. Loven, Kesson and Spencer on the subject of railroads.

2. This report is to supplement Mr. Skillings' memorandum by providing a record of the mission's discussions on:

- (a) The general conclusions and the economic volumes of the Consultants' Draft Final Report;
- (b) Ports and Waterways; and
- (c) Aviation.

A. General Conclusions and Economic Volumes of the Consultants' Draft Final Report

3. Discussions were held on March 24 and 25, 1969 under the chairmanship of Ing. Jorge Jauregui Canavaro, Sub-Secretary of Transport in the Ministry of Public Works, Communications and Transport (MPWCT). Present at these discussions were: Ing. Galarza (MPWCT); Ing. Neri, Echart, Zapata and Economist Villegas (Ministry of Planning); Messrs. Engelmann, Burke, Parthasarathi and Dominguez (IBRD). The main topics of these discussions are summarized below.

- (a) The general impression of Government economists was (i) that the Economics Volumes of the Consultants' Draft Final Report contain a great deal of valuable information which, to date, had not been assembled anywhere and (ii) that the analysis of the economic situation is sound. They consider this part of the report to contain one of the best analyses of the Bolivian economy ever made, but questioned the wisdom of using the 1960-65 period as a basis for determining the scale of future transport investments. It was agreed, however, that this basis was given to the Consultants in the terms of reference and had been approved earlier.
- (b) Government representatives agreed with the mission that, except for Volume I, the report is acceptable and will require only minor revisions; they concurred with the mission's suggestion that the Consultants be requested to rewrite and restructure Volume I, to present a clearer summary of recommendations, provide a comprehensive action program and schedule of investments, and explain the methodology used in determining priorities.
- (c) Government economists agreed with the choice of the internal rate of return method for evaluating projects, but would like an explanation of why benefits for highway projects were projected for only 11 years instead of 20 or 25 years, which would correspond to the economic life of the projects. Although this would probably not change the order of priorities established in the report, it could affect the order of priority of some transportation projects in relation to projects in other sectors of the economy.
- (d) Government economists requested that a step-by-step explanation of the application of the method of project evaluation be supplied for one specific project. (This request was transmitted to the Consultants).
- (e) Government representatives expressed their regret that new development roads, in connection with agricultural development programs, were not considered in the report. Government representatives agreed with the mission's suggestion that in the future such roads, where related to a definite agricultural project, should be considered a part of the agricultural project.
- (f) Government representatives expressed their regret that the Consultants did not in their project evaluation take into account social, administrative and national interest factors. The mission made it clear that the evaluation of such factors was really a Government prerogative and would be outside of the Consultants' competency.
- (g) The mission recommended and Government representatives agreed that the proposed transport investment program should be reviewed periodically and adjusted to the development policies of the Government.

- (h) Government representatives agreed to prepare for the Bank economic mission in July 1969 a complete schedule of the Government's current and proposed investment projects. Besides giving total amounts committed, this schedule would give a breakdown by year and by project of all committed and proposed investments in each sector of the economy.

B. Ports and Waterways

4. Discussions were held on March 27 with the Director of Departamento de Vias Navegables of the Ministerio de Obras Publicas, Comunicaciones y Transportes. The mission did not spend much time in discussions of ocean ports, since Bolivia does not have control over such ports and as no major capacity problems had been identified by the Consultants. Government representatives mentioned that the need to use foreign ports obligates Bolivia to maintain the possibility of using more than one port, in order not to depend on the continued goodwill of only one of its neighbors for access to the sea.

5. Most of Bolivia's waterways are located in the north-eastern lowlands, where they serve an area of about 600,000 square kilometers. The principal rivers are the Iteny, the Mamore, the Beni, the Madre de Dios, which flow towards the Madeira and Amazon Rivers. Most parts of this network have at least two meters of depth and in many places more. The region being very flat, rivers tend to meander, which increases transport distance and makes navigation hazardous. Also, trees floating down river sometimes form clusters and constitute an obstruction to navigation. The Bolivian Navy, through its Hydrographic Service, has been mapping the main rivers and is studying their regimes and variations in navigating conditions. The mission was told that all major danger spots, including the tree hazards, have been mapped. The Consultants' report recommends an investment of US\$142,000 to equip the Bolivian Navy for a river snag clearance program. If such a program were to be carried out by Naval personnel, it would produce an internal rate of return estimated at 11.5%.

6. The tonnage being moved by river in Bolivia is small and the Government is aware that major investments in waterways at this time would be premature. However, the Government would like to determine whether the obstacle to international navigation via the Amazon River, presented by the 36 rapids between Guajara-Mirim and Porto Velho (400 km), can be removed at reasonable cost. If the rapids continue to be an obstacle, Bolivia can only use its rivers for domestic traffic.

7. The following program was proposed by the Government for river navigation:

- | | |
|---|--------------------|
| (a) A pre-feasibility study of the removal of the 36 rapids on a 400 km stretch of the Madeira and Mamore Rivers. | \$1,000,000 |
| (b) Clearing of trees in the river, dredging of sandbars, some channel straightening, some navigational signalization - purchase of a dredge. | \$1,400,000 |
| | <u>\$2,400,000</u> |

8. Government representatives agreed that the above items are not priority programs. However, they would like to get started on item (a) sometime in the not too distant future. In the mission's view, such a study might be made as a Bolivia-Brazil joint venture.

C. Aviation

9. Two meetings were held with the Aviation Authorities, on March 26 and 27. Present were: Mr. Hugo Mirabal, Manager of A.A.S.A.N.A. (the Airport Administration Authority), Capt. Jaime Zagada and Capt. Jose Galindo, Director and Vice-Director of Aeronautica Civil; Messrs. Engelmann, Dominguez, Burke and Parthasarathi (IBRD).

10. The Government has already taken action on most of the main recommendations contained in the report: financing has been obtained from AID for improvement of four airports and from the Export-Import Bank for the purchase of flight equipment. The recommendation that A.A.S.A.N.A. and Aeronautica Civil be merged into one organization under the future Ministerio de Transporte is encountering much opposition, on the grounds that the present set-up, where the Air Force, A.A.S.A.N.A. and Aeronautica Civil have equal status under the President of the Republic, is adequate for the needs of Bolivia and is satisfactory in several other countries of the Continent. The major and strongest objection to the report, however, was that it consisted mainly of a summary of studies previously completed and contained no long-range recommendations on investment policies for the latter part of the 10-year program period.

11. Amplifying what the Minister of Public Works, Communication and Transport had said on Air Transport at the General Meeting of March 25, the Manager of A.A.S.A.N.A. made a strong case for the construction of a new international airport. The reasons set forth are:

- (a) Because of the altitude (4,080 m) all aircraft can only take off from La Paz at 60% of their capacity. No improvement to the airport can improve this situation. For this reason, many airlines consider it uneconomic to operate to Bolivia.
- (b) The economic future of Bolivia is in the eastern lowlands, and Santa Cruz is the main center in this area. The city is growing very fast (by about 50% in the last four years); it is connected by paved highway to Cochabamba and La Paz, and by railroad to Argentina and Brazil. It is at the crossing of major North-South and East-West air routes in South America. It is the center of the sugar industry and of oil exploration and extraction. Its warm climate, low level (400 m), rich land and abundant irrigation will make it the natural food producer for Bolivia. The adjoining Beni province is already sending meat by air to La Paz, Peru and Northern Chile, using aircraft which are 25-years old, and without benefit of refrigeration. The oil industry in and around Santa Cruz even now imports machinery and spare parts by air, using medium size aircraft.

April 23, 1969

- (c) Bolivia has great tourism possibilities. The towns of La Paz, Cochabamba, Sucre, Oruro and Potosi are potential centers of attraction. It might be better for tourists to arrive at Santa Cruz and from there proceed gradually to the high altitudes of the altiplano where most of the tourist attractions are located.
- (d) The present airport at Santa Cruz is being repaired and improved at a cost of \$5-million. However, the town is growing in its direction and is encircling it rapidly. It is therefore not possible to extend the present facilities to serve aircraft larger than Bg-727. The present program is meant only to keep the existing airport operational during the 5-10 years necessary to build a new larger airport.
- (e) Bolivia has great hopes that the new bigger airplanes now being tested, due to their very low cost of operation, will allow cheap and fast direct communication with the rest of the world, and become a partial solution to its landlocked situation.

12. On the last day of our stay in Bolivia, A.A.S.A.N.A. and Lloyd Aereo Boliviano gave Mr. Dominguez and Mr. Engelmann an opportunity to visit the airports of Trinidad, Santa Cruz and Cochabamba. The pilots had instructions to admit us to the cabin and to point out the main features of the country we were flying over. At Trinidad and Santa Cruz, the A.A.S.A.N.A. local representatives showed us the airport installations and gave us some basic information, which is listed below. At Santa Cruz we were flown over two proposed sites for the new airport. This flight, made in a CESSNA together with A.A.S.A.N.A. engineers, confirmed the main facts expressed to us in La Paz, namely: (a) the city is growing very fast; (b) its industry is in a process of accelerated expansion; (c) it is already growing around the present airport; (d) there are at least two possible locations for a new airport: the first one we were shown is too close to town (2 km), the second one is, at first sight, reasonably flat, far enough from the city (14 km), and has a paved highway along its border. Following is a resume of the data obtained from the A.A.S.A.N.A. representatives at Trinidad and Santa Cruz.

13. Trinidad Airport. Trinidad has a population of 22,000-inhabitants. It is located in the heart of the Beni province. Elevation is around 400 m. It is a cattle center, and can be reached only by air or river. The farthest one can travel by road, leaving Trinidad, is 50 km. The airport has one small runway used by single engined planes, and one main sand runway, 1,600 m long. Financing for a 1,000 m extension towards the west and asphaltting of the extended 2,600 m runway has been approved. Average daily number of landings is 40, of which at least 4 are by scheduled airplanes (mostly Lloyd Aereo Boliviano). There are 40 small airplanes permanently based at Trinidad, and in the area Sao Borja-Sta. Maria-San Ignacio-Trinidad, there are about 300 landing strips. Most cattle raisers have their own airplanes. A.A.S.A.N.A. took over the administration of the airport on October 16, 1967. They repaired and improved their offices, the control tower and the passenger terminal. They have a duplicate set of flight control equipment, and they control all flights going north from Santa Cruz.

April 23, 1969

A.A.S.A.N.A. personnel consists of: 1 airport manager, 6 radio operators, 4 tower operators, 1 radio technician and 1 assistant, 1 runway inspector, 1 patrol operator, labor for clearing and maintenance. Total: 19 men. A new passenger terminal will be built later this year.

14. Santa Cruz Airport. Santa Cruz has around 150,000 inhabitants. Its altitude is about 400 m. It is the capital of the Santa Cruz province and the center of the sugar and oil industries. It is connected by highways with Cochabamba, La Paz and the Highlands of Bolivia, by railroad to Brazil and Argentina. The airport has one 2,074 m runway, of which 1,800 m have a thin coat of asphalt; it is 40 m wide. The runway is not equipped for night operations. There are about 60 landings per day, of which 20 are scheduled flights, 15 are military (there is an airforce base on the field) and 25 are private and non-scheduled planes. Average daily freight movement, in and out, is about 6 tons. Average daily movement is 310 passengers on scheduled airlines. The three principal airlines are: Lloyd Aereo Boliviano (38 round trips per week), Cruzeiro do Sul (1 round trip per week), CAN (1 round trip each 15 days). A.A.S.A.N.A. personnel numbers 35 men, operating 24 hours a day; they control all flights to and from the airport in Santa Cruz and international flights over Santa Cruz. One end of the runway is very close to the sports stadium in the city (500 m). When landings have to be made from the direction of the stadium (20% of the time), the first 300 m of the runway cannot be utilized.

FJDominguez/PEngelmann/MSParthasarathi:vbr

cc: Mr. Chadenet, Mr. Baum, Mr. Lipkowitz, Mr. Piccagli, Mr. Rovani, Mr. Lind, Miss Maher, Mr. R. Jones, Mr. Riley, Mr. Sassoon, Mr. Skillings, Mr. Burke, Mr. Sadove, Mr. Messenger, Mr. Davis, Mr. Carmichael, Mr. van der Meer, Mr. Loven, Mr. North, Operational Files, Division Chron. Files, Ports & Pipelines (Aviation) Div. Files, Highways Div. Files.

DP/SF/310 BOL 15

April 14, 1969

Mr. Paul-Marc Henry
Assistant Administrator and Associate Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Henry:

BOLIVIA: Integrated Transport Survey

Under separate cover we are sending all but one volume of the draft report on the above project. The volumes included are:

Volume II	Economics, Parts A and B and Agricultural Supplement
Volume III	Traffic
Volume IV	Highways
Volume V	Railroads
Volume VI	Ports and Waterways
Volume VII	Air Transport
Volume VIII	Pipelines

At the time of the IBRD/UNDP Agency Review Meeting in January, it was agreed that we would send this report, but we have delayed doing so because a number of the volumes were being used by members of the Bank mission which visited Bolivia during the last week in March. I believe that the Resident Representative, a.i., Col. Gemmel, has already written to Mr. Cohen about the mission.

While this is a draft report, it was agreed as a result of the recent mission that all of the volumes currently being sent to you are acceptable substantially in their present form. Only a limited amount of minor editing remains to be done to put the report in its final form.

The one exception to the above is Volume I, which is to be a summary of the findings reported in the other volumes. This, as you know, was originally a source of considerable controversy. Consequently,

Mr. Henry

2

April 14, 1969

this volume is now to be completely re-written in order to more adequately reflect the material in the other volumes as well as to avoid some of the difficulties in the original draft. Because of this background and the fact that a re-write is now under way, we have not included the summary volume. A copy of the revised Volume I will be sent to you as soon as it is available.

Sincerely yours,

VJR:cbh

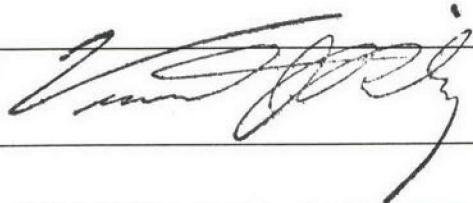
Vincent J. Riley
Chief, Technical Assistance Division
Development Services Department

Enclosures

cc: Mr. Rajendra Coomaraswamy

bcc: Mr. Skillings
Mr. Dominguez

REQUEST FOR SHIPMENT AND MAILING OF PACKAGES

Department Development Services		Division Technical Assistance		Date April 14, 1969
MATERIAL TO BE DISPATCHED				
Quantity	Description			
9 pieces	Final Report, Bolivia Integrated Transport Survey Vols II - VIII			
To Mr. Paul-Marc Henry Assistant Administrator and Assoc. Director Bureau of Operations and Programming United Nations Development Programme United Nations, New York 10017			Special Instructions	
Date Wanted at Destination	Valuation of Contents	Authorized Signature 		
RECORD OF DISPATCH				
No. of Packages	Weights	Measurements	Insurance No.	Cost
Shipment Marked		Shipment Via		
Date of Dispatch		Signature of Dispatcher		

owfub

OFFICE MEMORANDUM

TO: Mr. Vincent Riley

FROM: F. J. Dominguez *FJ*

SUBJECT: Bolivian Transport Survey Reports

DATE: April 11, 1969

Attached, I am sending you a set of the Bolivian Transport Survey Volumes II-A, II-B, Agricultural Supplement Volumes 3, 4, 5, 6, 7 and 9. Volume 1 which is the summary is being completely re-written by the consultants and for this reason is not included.

FJDominguez:sr
Attachments

*Sent to VNDP**April 14, 1969*

Mr. Riley
Engel

April 10, 1969

Col. H. Gemmel
Acting Resident Representative
U. N. Development Program
Casilla 686
La Paz, Bolivia

Dear Col. Gemmel:

I regret that I was unable to reach you by telephone before we left Bolivia on the evening of March 29, 1969. I wanted to thank you for the very interesting trip you had arranged for Mr. Dominguez and myself, which permitted us to fly over the Beni and Santa Cruz Provinces.

The trip was most instructive. At Trinidad and Santa Cruz we were met by the local A.A.S.A.N.A. representatives who gave us pertinent information on their operations. At Santa Cruz we were also taken on a flight over two proposed sites for the new airport.

In connection with this project, I should very much appreciate your sending me all available material on the study for a new Santa Cruz Airport, so that we may have the full background on this subject.

I would also like to take this opportunity to request your continuing cooperation and assistance regarding Mr. E. F. Schwarz who, as you know, has been hired by the Bank and is now in La Paz, working as before on accounting and statistics with the Railroads. Mr. Schwarz asked us if he could retain three privileges he enjoyed while under contract with DMJM: (1) he would like to be able to call on you, as UNDP representative, in case of any emergency; (2) he would like to be allowed to retain the UN plates he was given for his car; and (3) he would like to retain the privilege he enjoyed previously regarding the import duty free of personal goods. We consider these requests reasonable and hope that you can help Mr. Schwarz in these matters.

Sincerely yours,

Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department

FJDominguez:vbr

cc: Mr. Skillings, Mr. Riley

oufile

Mr. Victor C. Chang

April 10, 1969

Joseph C. Reamy

UNDP - Bolivia Transport Survey

On March 26 we sent a memo providing information to enable you to prepare an adjustment advice to reflect the allocation required to cover, under "Experts", the services of Mr. Emmanuel Schwarz.

At that time Mr. Mazzitti, on the basis of previous experiences with respect to UNDP and adjustment advices, suggested we incorporate any additional "Agency Cost" requirement that might be envisaged, rather than make a separate request later. The draft adjustment advice was delayed on this account.

We now can inform you that we estimate an additional requirement of approximately \$3,000.00 to cover anticipated Agency Costs to the end of the survey. We would appreciate it if you would proceed with the submission of the adjustment advice.

RJ/mks

c.c. Mr. V. Riley . c605

Mr. Ruby

April 4, 1969

Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Re: BOLIVIA - Transport Survey

Gentlemen:

This will confirm my telephone conversation of April 2 with Mr. Shope of your office, regarding the conclusions of discussions held by a Bank mission to Bolivia during the week of March 17, 1969. In accordance with Section II-D(5) of Appendix A of your Contract, specific comments on individual volumes of the draft report will be forwarded to you early next week and additional comments may be transmitted to you by the Government of Bolivia.

In general, the volumes on economics, traffic and highways are considered to be good and will require little change before final printing. There will also be no need for major modification of the subsequent volumes. It is the opinion of the Government and the Bank, however, that the major weakness of your report is in Volume I, the Summary.

Since Volume I is most likely to be read by a large number of interested parties after final publication of the report, it is requested that you re-write and re-structure this volume so that it will form a comprehensive guide for future action in the transport sector of the country, present a clear summary of all investments and recommendations made by your firm, and provide an explanation of the methodology used in determining investment priorities.

For reasons discussed with Mr. Shope, we would also suggest that you delete all references in the report to the following items:

- (a) the re-financing of the Japanese railroad loan by the World Bank;
- (b) future possibilities of acquiring land access to the Pacific through the sale of irrigation water from Lake Titicaca; and
- (c) loss of traffic to Bolivian railroads through diversion of products from the Matilda Mines.

Daniel, Mann, Johnson
and Mendenhall

- 2 -

April 4, 1969

We should appreciate receiving from you an early indication of the time that will be required by your firm for making the necessary revisions and printing of the final reports. It is our understanding that this work is covered by the scope of your present contract with the Government of Bolivia and that there will be no increase in the ceiling amount mentioned in paragraph 11 of Amendment No. 1 to that contract.

Sincerely yours,

Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department

cc: Sr. Dante Pavisich
Ministro de Planificacion y Coordinacion
Secretaria de Planificacion y Coordinacion
Presidencia de la Republica
La Paz, Bolivia

Cleared with and cc: Messrs. Skillings/Burke, Riley, Sassoon, R. Jones,
Loven/Spencer, North, Parthasarathi
cc: Messrs. Sadove, Geolot

PEngelmann:vbr

unfiled

Mr. Robert Sadove

April 3, 1969

Robert F. Skillings

Bolivian Transport Mission

1. Just before the mission left La Paz on March 28, Col. H. Gemmel, the Acting U. N. Resident Representative in La Paz, gave me a copy of a cable he had just sent to the U. N. in New York about the work of the mission, which read as follows:

"281 COHEN GOVERNMENT AND BANK MISSION PLEASED RESULTS COORDINATION WORK BOLIVIAN TRANSPORT SURVEY. GOVERNMENT ESPECIALLY PLEASED OUTSTANDING QUALIFICATIONS MEMBERS MISSION WHOSE MAIN OBJECTIVES SUCCESSFULLY ACHIEVED. EXCELLENT COORDINATION MAINTAINED BETWEEN MISSION AND THIS OFFICE THROUGHOUT. DETAILED REPORT FOLLOWS"

2. The success of the mission was chiefly due to the diligence and cooperation of the members of your Department, with whom it was a pleasure to work.

cc. Mr. Riley ✓

RFSkillings: tg

5m fl

April 3, 1969

Col. H. Gemmel
Acting Resident Representative
U. N. Development Program
Casilla 686
La Paz, Bolivia

Dear Col. Gemmel:

The transport mission is now back in Washington, and I am writing to express our warm thanks to you for all you did to make our work useful and pleasant. You were particularly kind to send me a copy of your flattering cable to New York.

I hope we shall have a chance to see you again soon.

With kind regards,

Sincerely yours,

Robert F. Skillings
Western Hemisphere Department

cc. Messrs. Riley ✓
Engelmann

RFSkillings: tg

Form No. 75
(2-60)

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

April 2, 1969

NAME

ROOM NO.

Messrs. Skillings/Durke

A-521

North

A-410

Loven/Spencer

F-332

Parthasarathi

A-437

Wiley

C-805

Reamy

B-702

Sassoon

B-808

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

~~XXXX~~ Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Attachment with detailed comments to be prepared by Messrs. Loven, North and Parthasarathi.

From

Peter Engelmann Ext. 3923 Rm. F-338

original

DRAFT
PEngelmann:vbr
April 2, 1969

Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Re: BOLIVIA - Transport Survey

Gentlemen:

This will confirm my telephone conversation of April 2 with Mr. Shope of your office, regarding the conclusions of discussions held by a Bank mission to Bolivia during the week of March 17. Specific comments on individual volumes of the report are contained in the Attachment hereto and additional comments may be transmitted to you by the Government of Bolivia.

In general, the volumes on economics, traffic and highways are considered to be good and will require little change before final printing. There will also be no need for major modification of the subsequent volumes. It is the opinion of the Government and the Bank, however, that the major weakness of your report is in Volume I, the Summary.

Since Volume I is most likely to be read by a large number of interested parties after final publication of the report, it is requested that you re-write and re-structure this volume so that it will form a comprehensive guide for future action in the transport sector of the country, present a clear summary of all investments and recommendations made by your firm, and provide an explanation of the methodology used in determining investment priorities.

For reasons discussed with Mr. Shope, we would also suggest that you delete all references in the report to the following items:

- (a) the re-financing of the Japanese Railroad Loan by the World Bank;
- (b) future possibilities of acquiring land access to the Pacific through the sale of irrigation water from Lake Titicaca; and
- (c) loss of traffic to Bolivian railroads through diversion of products from the Matilda Mines.

We should appreciate receiving from you an early indication of the time that will be required by your firm for making the necessary revisions and printing of the final reports. It is our understanding that this work is covered by the scope of your present contract with the Government of Bolivia and that there will be no increase in the ceiling amount mentioned in paragraph ____ of Addendum ____ to that contract.

Sincerely yours,

Peter Engelmann

Mr. Robert F. Skillings

March 21, 1969

Vincent J. Riley

UNDP Assistance to Bolivia

UNDP has advised me regarding the proposed project, Assistance to the Bolivian Railways (BOL-25), as follows:

a. The primary reason UNDP has not pushed this project forward has been the Government's attitude toward it. In the latter part of 1968 the UNDP received, through its resident representative, a written statement from the Government ranking by order of priority the projects then pending. In that list the railroad assistance project was ranked sixth. The UNDP did not give me any further details regarding this communication from the Government, but this ranking has been consistently reported to us by UNDP in recent months, most recently by Paul-Marc Henry at the time of the Agency Review Meeting on January 31. The channel of communication to UNDP that is designated by the Government of Bolivia is Secretaria Tecnica de Planificacion, Coordinacion y Presupuesto, and it must be assumed that this, plus the resident representative, is the source of UNDP's information.

b. UNDP is reluctant to proceed further with Bolivia 25 until they have a clearer picture of the outcome of the existing project, Bolivia 15, under which the assistance to the railroad was initiated. Specifically UNDP is looking for a copy of the DMJM draft report (which the Bank agreed to make available to UNDP at the time of the Agency Review Meeting, but which has not yet been sent because the copies we had were still in use in the Projects Department). UNDP would also hope to receive from the Bank a report on the results of your forthcoming mission, particularly insofar as it relates to the ongoing project (BOL-15), the proposed project (BOL-25) and any proposed investment follow-up or support for either of these projects. UNDP's position would be strongly and positively influenced if we were to indicate any plans for lending to the railroads by the Bank or others.

c. There is some feeling, perhaps influenced by the resident representative, that the assistance to the railroads is more properly and less expensively handled as a project under the Technical Assistance rather than the Special Fund component. This, however, is not a serious obstacle and we could get around it if the points mentioned under a and b are satisfactorily settled.

In regard to the pipeline, one project was identified as being likely to be initiated some time in 1969 through some form of advance authorization. This is a project relating to the Mutun iron ore project. If it is so initiated, the full project would be presented almost certainly to the Governing Council in 1970.

No other projects are at present sufficiently advanced in terms of UNDP evaluation to be considered at this point as certain candidates for approval in 1970. Among those under consideration, however, on which evaluation is proceeding are one relating to Andean development (a national project complementing the already-approved regional project); BOL-26, Development and Improvement of the meteorological and hydrological services; and a regional project (REG-166) for a VHF extended range air navigation system.

cc: Mr. Dominguez

VJR:cbh

outfit

MR. JOHN D. WOOD

MARCH 20, 1969

UNREVIEWED

INF Govt.

LA PAZ

BOLIVIA

HAVE TODAY CARRIED MINISTER PAVISICH AS FOLLOWS QUOTE TRANSPORT MISSION
COMPOSED AS FOLLOWS colon SKILLINGS CHIEF OF MISSION ~~stop~~ LOVEN KESSON
AND SPENCER RAILROAD ADVISERS ~~stop~~ ENGELMANN AND DOMINGUEZ TECHNICAL
ASSISTANCE AND PROJECT PREPARATION ~~stop~~ NORTH HIGHWAY ADVISER ~~stop~~
PARTHASARATHI AND BURKE ECONOMISTS ~~stop~~ MEMBERS WILL ARRIVE AS FOLLOWS colon
SKILLINGS DOMINGUEZ KESSON LOVEN AND PARTHASARATHI DEPART 973 ARRIVING
AT 23:50 MARCH 23 ~~stop~~ NORTH SPENCER AND BURKE LUFTHANSA 494 AT 8:45
MARCH 24 ~~stop~~ ENGELMANN ARRIVAL TIME UNCERTAIN ~~stop~~ PLEASE CONFIRM
RESERVATIONS CRILLON HOTEL. ~~stop~~ GRATEFUL YOU ASSIGN INTERPRETER TO
MISSION UNQUOTE REGARDS

SKILLINGS
INTRAFLAD

Robert F. Skillings

cc: Mr. Riley ✓

Western Hemisphere Department

TEBurke:unt

on file

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Messrs. P. Engelmann, J. North, F. Dominguez,
J. Kesson, R. Loven, M. Parthasarathi, J. Spencer

DATE: March 19, 1969

FROM: Robert Sadove

SUBJECT: BOLIVIA - Discussion of the Results of the "Bolivia
Survey" with the Bolivian Government
Identification of Possible Future Projects
Terms of Reference

1. You will proceed to La Paz, Bolivia, about March 23, 1969 for a period of approximately one week as members of a mission led by Mr. Skillings which will discuss with the Bolivian Government the findings of the "Bolivian Transport Survey" (DMJM Report) and will seek to identify projects suitable for financing by IDA or IBRD. In addition to these general discussions, the members of the mission will also engage in discussions in their particular fields, as follows.
2. Mr. Parthasarathi will review with the relevant Ministries and Departments of the Government the economic problems related to present and future needs for transportation in Bolivia. He will also participate in the discussions of the Railway and Highway sectors along with the concerned staff members of the mission, with a view to establishing the basis for a future assistance by IDA, IBRD or UNDP to the Government of Bolivia.
3. Mr. North will review with SNC the Consultants' recommendations concerning the organization and operation of SNC. In making this review, due consideration will be given to the work now being done with SNC by the USAID - BPR mission presently in La Paz. Mr. North, together with Mr. Skillings, will review with appropriate Government officials the list of highway projects which the Bolivian Government submitted to Mr. Knapp on the occasion of his recent visit to La Paz and determine the Government's intentions regarding their financing. Mr. North will seek to identify projects which may be suitable for Bank/IDA financing.
4. Messrs. Kesson, Loven and Spencer will review all available information on the organization, management, planning, operations and financial situation of the Railways with particular attention to the following points:
 - (i) the need for technical assistance in various railway disciplines;
 - (ii) availability and utilization of existing locomotives and rolling stock and their maintenance;

Messrs. P. Engelmann, J. North - 2 -
F. Dominguez, J. Kesson
R. Loven, M. Parthasarathi
J. Spencer

March 19, 1969

- (iii) train operating practices;
- (iv) present and forecast traffic densities on the various lines sections;
- (v) freight rates and passenger fares; and
- (vi) the Railways' proposals for reducing their operating deficits.

The object of their investigation is to enable the Bank to determine whether or not it can help the Railways to formulate a specific program to improve operational efficiency, reduce or eliminate the financial deficit and modernize the system.

5. Messrs. Engelmann and Dominguez will:

- (i) assist the other members of the mission in their discussions of the sub-sectors of the Bolivian transport system with officials of the Government;
- (ii) be present during meetings with the Railways in order to be familiar with their needs for technical assistance; and
- (iii) determine the views of the Government regarding the Consultants' report on the Bolivian transport system and reach agreement on the steps necessary to close out the Consultants' Contract.

6. Upon your return to Washington you will prepare a Back-to-Office Report, which should be followed promptly by a Full Report.

FJDominguez:ncp/urg
IBRD/IDA

Cleared with and cc: Sir Gordon Mackay, Mr. Skillings

cc: Mr. Chadenet, Mr. Baum
Mr. Messenger, Mr. A.T. Davis,
Mr. Sassoon, Mr. R. Jones, Mr. Riley

MINISTRO DANTE PAVESICH
MINISTERIO PLANEAMIENTO Y COORDINACION
LA PAZ

MARCH 10, 1969

*Libia
pt.*

BOLIVIA

REFERENCIA CASO SCHWARZ BANCO PREFIERE CONTRATO UNICO CUBRIENDO TODOS GASTOS
MONEDA LOCAL Y EXTRANJERA STOP UNDP DE ACUERDO Y FINANCIARA COSTOS DEL CONTRATO
EN MONEDAS LOCAL Y EXTRANJERA STOP FERROCARRILES CONTINUARAN FACILITANDO
OFICINA AYUDA SECRETARIAL Y VIAJES INTERIOR PAIS STOP BANCO DISPUESTO FIRMAR
TAL CONTRATO CON SCHWARZ SI MINISTERIO APRUEBA Y FERROCARRILES CANCELAN CONTRATO
EXISTENTE CON SCHWARZ STOP SCHWARZ ACTUALMENTE EN WASHINGTON Y ESTA DE ACUERDO
CONTRATO UNICO STOP ROGAMOS COMUNIQUE POR CABLE SI MINISTERIO APRUEBA Y SI
FERROCARRILES DISPUESTOS CANCELAR CONTRATO SCHWARZ STOP BANCO FIRMARIA ENTONCES
CONTRATO UNICO CON SCHWARZ STOP ESTE VIAJARIA LAPAZ INMEDIATAMENTE STOP SALUDOS

SKILLINGS
INTBAFRAD

(Translation not to be forwarded - see next page)

Robert F. Skillings
Western Hemisphere

FJDominguez:ncp

cc: Mr. Engelmann

cc: UNDEVPRO
La Paz, Bolivia

cc: Mr. Schwarz
Miss Powell
Mr. Skillings

Translation not to be forwarded:
Minister Dante Pavisich
Ministry of Planning and Coordination
La Paz

BOLIVIA

REFERENCE SCHWARZ CASE BANK PREFERS SINGLE CONTRACT COVERING ALL EXPENDITURES
LOCAL AND FOREIGN CURRENCIES STOP UNDP AGREES AND WILL FINANCE LOCAL AS WELL
AS FOREIGN COSTS FOR ASSIGNMENT STOP RAILROAD SHOULD CONTINUE TO PROVIDE
OFFICE SPACE SECRETARIAL ASSISTANCE AND ANY TRAVEL REQUIRED IN THE COUNTRY
STOP BANK WILLING SIGN SUCH CONTRACT WITH SCHWARZ PROVIDING MINISTRY APPROVES
AND RE CANCEL EXISTING CONTRACT WITH SCHWARZ STOP SCHWARZ PRESENTLY IN
WASHINGTON AND AGREES TO SINGLE CONTRACT STOP PLEASE ADVISE BY CABLE IF
MINISTRY APPROVES AND IF RE WILLING CANCEL SCHWARZ CONTRACT STOP BANK WOULD
THEN SIGN SINGLE CONTRACT WITH SCHWARZ STOP HE COULD TRAVEL LAPAZ IMMEDIATELY
STOP COMPLIMENTS

SKILLINGS

BOLIVIA
INGENIERO MURILLO CAZAS
FERROBOOL
LA PAZ

BOLIVIA
TPT.
MARCH 10, 1969

BOLIVIA

BANCO MANDO ESTA FECHA SIGUIENTE CABLE AL MINISTERIO PLANEAMIENTO:

REFERENCIA CASO SCHWARZ BANCO PREFIERE CONTRATO UNICO COBRIENDO TODOS GASTOS
MONEDA LOCAL Y EXTRANJERA STOP UNDP DE ACUERDO Y FINANCIARA COSTOS DEL CONTRATO
EN MONEDAS LOCAL Y EXTRANJERA STOP FERROCARRILES CONTINUARAN FACILITANDO OFICINA
AYUDA SECRETARIAL Y VIAJES INTERIOR PAIS STOP BANCO DISPUESTO FIRMAR TAL CONTRATO
CON SCHWARZ SI MINISTERIO APRUEBA Y FERROCARRILES CANCELAN CONTRATO EXISTENTE
CON SCHWARZ STOP SCHWARZ ACTUALMENTE EN WASHINGTON Y ESTA DE ACUERDO CONTRATO
UNICO STOP ROGAMOS COMUNIQUE POR CABLE SI MINISTERIO APRUEBA Y SI FERROCARRILES
DISPUESTOS CANCELAR CONTRATO SCHWARZ STOP BANCO FIRMARIA ENTONCES CONTRATO
UNICO CON SCHWARZ STOP ESTE VIAJARIA LAPAZ INMEDIATAMENTE STOP SALUDOS

ENGELMANN
INTBAFRAD

(Translation not to be forwarded - continued on next page)

Cleared with and cc: / Mr. Skillings
Miss Powell

Peter Engelmann
Transportation Projects

FJDominguez:ncp

(Translation not to be forwarded)

ENGINEER MURILLO CAZAS
FERROBOL
LA PAZ

BOLIVIA

BANK SENT TODAY FOLLOWING CABLE TO MINISTER OF PLANNING QUOTE:
REFERENCE SCHWARZ CASE BANK PREFERS SINGLE CONTRACT COVERING ALL EXPENDITURES
LOCAL AND FOREIGN CURRENCIES STOP UNDP AGREES AND WILL FINANCE LOCAL AS WELL
AS FOREIGN COSTS FOR ASSIGNMENT STOP RAILROAD SHOULD CONTINUE TO PROVIDE
OFFICE SPACE SECRETARIAL ASSISTANCE AND ANY TRAVEL REQUIRED IN THE COUNTRY
STOP BANK WILLING SIGN SUCH CONTRACT WITH SCHWARZ PROVIDING MINISTRY APPROVES
AND RR CANCEL EXISTING CONTRACT WITH SCHWARZ STOP SCHWARZ PRESENTLY IN
WASHINGTON AND AGREES TO SINGLE CONTRACT STOP PLEASE ADVISE BY CABLE IF
MINISTRY APPROVES AND IF RR WILLING CANCEL SCHWARZ CONTRACT STOP BANK WOULD
THEN SIGN SINGLE CONTRACT WITH SCHWARZ STOP HE COULD TRAVEL LAPAZ IMMEDIATELY
STOP COMPLIMENTS UNQUOTE

ENGELMANN
INTBAFRAD

Copy also sent to res. rep. Bolivia



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 02/19/1969	Document Type Letter			
Correspondents / Participants To: Armando M. Cazas From: Robert Skillings, Western Hemisphere Department				
Subject / Title Bolivia Transport Study				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Bol - 15

Handing for UN (Opex Proposal)

Gilbert Bernard x 4219

Miss Carmen Korn

Mr. Schwartz Tel No in Hackensack NJ

Area Code 201; 342-7726

4

729 N. Edison

other side Wash Blvd.
near Wilson
Blvd.

Lyon Village #190.

Mrs
Armstrong
George Mason
seen -
room

Older

stone colonial

living room fireplace

upstairs

3 bedrooms 2 baths

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

February 24, 1969

NAME

ROOM NO.

Mr. Engelmann

Mr. Sassoon

Mr. Skillings

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

If there is no objection, I suggest
we revise and take up with the Govt.

From



UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 BOL 15

17 February 1969

Dear Mr. Demuth,

Bolivia: Integrated Transport Survey

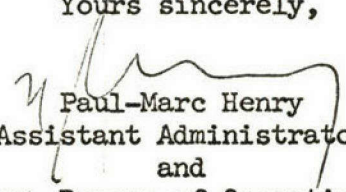
Please refer to Mr. Riley's letter of 4 February 1969 on the above project, enclosing the draft of a second Amendment to the Plan of Operation.

While agreeing in general with your proposals, we would suggest the following modifications: With respect to Section 2.01, the proposed addition: "(e) assist the railroads in establishing and organizing the mechanization of their accounting system and in preparing programs for computer analysis" instead of constituting a distinct new paragraph would better be incorporated at the end of part (c) of the same section which refers to assistance to the railroads in general. By so doing, the wording proposed by the Bank for Section 2.02 (that part (c) be completed within 36 months after March 1967) would reflect correctly the completion time of the proposed addition, once incorporated in part (c).

In regard to the Government Counterpart Contribution - a) Cash Disbursement to Consultants, the figure under the 1968 column for Local Costs for expatriate personnel per diem should be corrected to read 15,100.

We are looking forward to receiving the signature copies of the Amendment, incorporating the above indicated changes, at your earliest convenience.

Yours sincerely,


Paul-Marc Henry
Assistant Administrator
and

Associate Director, Bureau of Operations and Programming

Mr. Richard H. Demuth, Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Engelmann
Sassoon
Skellings
DSD
OK
69-14
2-27

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 BOL 15
DP/SF/310 (2) BOL 15

4 February 1969

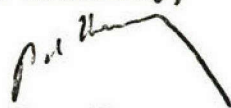
Dear Mr. Demuth,

Bolivia: Integrated Transport Survey

Pursuant to the exchange of views we have had on the above project at the recent UNDP/IBRD Review Meeting, we look forward to receiving, as agreed, at your earliest convenience, copy of DMJM's draft final report which is presently under consideration by the Bolivian Government. We would also appreciate your sending directly another copy of the draft to the UNDP Office in La Paz.

We trust that the IBRD mission scheduled to visit Bolivia this month, to discuss with the Government the contents of the draft report, would make, as appropriate, the fullest use of the support extended by our Resident Representative, a.i., in Bolivia, Mr. Erich K. Lang, and shall keep him informed of the negotiation's progress and of its outcome.

Yours sincerely,


Paul-Marc Henry
Assistant Administrator
and

Associate Director, Bureau of Operations and Programming

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

cc: Messrs. Skillings
Engelmann/Dominguez
Development Services Dept

F-11
69-12
2-20

Miss Powell
File

February 4, 1969

Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California

Re: BOLIVIA - Transport Survey

Gentlemen:

We wish to refer to your letter of January 7, 1969, in which you inform us of the reasons why you intend not to translate certain volumes of your Report into Spanish.

The opinion of the Bank was expressed in the letter we sent you on December 19, 1968. We see no reason for altering this opinion at this time. However, the Bank is not a party to the Contract and therefore is not in a position to make a decision on the matter.

A copy of this letter, together with a copy of your letter of January 7, 1969, is being sent to the Bolivian Government.

Sincerely yours,

Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department

cc: Ing. Armando Murillo Cazas
Empresa Nacional de Ferrocarriles
Casilla No. 428
La Paz, Bolivia

Cleared with and cc: Mr. Sassoon, Mr. Skillings
cc: Mr. R. Jones, Miss Powell,

FJDominguez:vbr



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 02/04/1969	Document Type Letter			
Correspondents / Participants To: Myer Cohen, Assistant Administrator Division, Bureau of Operations and Programming, UNDP From: Vincent Riley, Chief, Technical Assistance Division				
Subject / Title Bolivia Integrated Transport Study				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

file of lv. feb. 4
↳ UNIDP

REPUBLIC OF BOLIVIA
(INTEGRATED TRANSPORT SURVEY)

Second Amendment to the Plan of Operation dated March 10, 1967

WHEREAS, the Government, the Special Fund and the Bank have agreed to modify certain of the terms and conditions set forth in the Plan of Operation (Integrated Transport Survey) dated March 10, 1967, as amended on March 29, 1968 (hereinafter called the original Plan of Operation);

WHEREAS it is accordingly necessary to amend the original Plan of Operation as now in force and effect;

NOW THEREFORE the parties hereto hereby agree to amend the original Plan of Operation as follows:

1. Section 2.01. The following paragraph should be added at the end of the section: "(e) assist the railroads in establishing and organizing the mechanization of their accounting system and in preparing programs for computer analysis."

2. Section 2.02. Is reworded to read: "Parts (a), (b) and (c) of the Project are expected to commence in March 1967 and, except as the Government, the Bank and the Special Fund shall otherwise agree, parts (a) and (b) will be completed within 15 months and part (c) within 36 months thereafter."

3. Section 3.01. Is amended by the substitution in paragraph (a) thereof of the figure "\$941,700" for the figure "\$910,200" and in paragraph (b), of the figure "\$11,500" for the figure "\$8,000."

4. The Schedule of the original Plan of Operation is replaced by the Schedule attached to this agreement.

REPUBLIC OF BOLIVIA

By _____
Authorized Representative

UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

By _____

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By _____

Dated _____

SCHEDULE

Budget and Plans of Expenditure

Budget

The estimated cost of the services and facilities to be provided for the Project is detailed in the two Plans of Expenditure forming part of this Schedule. Funds will be provided by the Special Fund and the Government as follows:

	<u>(in \$ equivalent)</u>
(1) Allocation by the Special Fund	983,500
(2) Counterpart contribution by the Government	267,200

Plan of Expenditure
Special Fund Allocation

	<u>Total</u>	<u>Estimated Distribution of Costs</u>			
<u>Cost</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
	(year)	(year)	(year)	(year)	
Project costs:					
Fellowships	46,700	-	26,700	20,000	-
Sub-contracts	<u>921,500</u>	<u>625,000</u>	<u>265,000</u>	<u>21,500</u>	<u>10,000</u>
Total Gross Project Costs	968,200	625,000	291,700	41,500	10,000
Executing Agency Cost	11,500	4,000	4,000	3,500	-
Special Fund Direct Costs	<u>3,800</u>	<u>3,800</u>	-	-	-
Special Fund Allocation	<u>983,500</u>	<u>632,800</u>	<u>295,700</u>	<u>45,000</u>	<u>10,000</u>

Plan of Expenditure
Government's Counterpart Contribution

	<u>Total Cost</u>	<u>Estimated Distribution of Costs</u>			
		<u>1967</u> (year)	<u>1968</u> (year)	<u>1969</u> (year)	<u>1970</u> (year)
(a) <u>Cash Disbursements to Consultants</u>					
Services by local professional staff retained by Consultants	15,600	14,000	1,600	-	-
Local costs for expatriate personnel per diem	81,700	60,000	15,000	5,500	1,100
Local transportation, air, bus, rail and vehicle rental and maintenance	18,100	16,000	2,100	-	-
Local office supplies, equipment and communications	7,800	6,800	1,000	-	-
Subtotal:	123,200	96,800	19,800	5,500	1,100
(b) Services of Governmental employees who will cooperate with study group					
	60,000	50,000	10,000	-	-
(c) Transport, office premises, public services, materials, etc.					
Total contribution in kind	45,000	40,000	5,000	-	-
(d) Salaries payable to personnel selected for fellowships					
	39,000	-	19,500	19,500	-
Total Government's Counterpart Contribution:	267,200	186,800	54,300	25,000	1,100

*Mr. Riley
our file*

7
January 22, 1969

Mr. E. Felix Schwarz
Casilla 726
La Paz, Bolivia

Re: BOLIVIA - Transport Survey

Dear Mr. Schwarz:

In answer to your letters of January 6 and January 13, and further to our cable of January 3, this letter is meant to summarize the position of UNDP and of the Bank regarding the extension of your services in Bolivia.

The UNDP has agreed to finance the foreign currency portion of your salary for a one-year extension of your services in Bolivia, providing (1) the Government pays the local currency portion of your expenses in Bolivia, (2) the Government can make arrangements either with you or with Daniel, Mann, Johnson & Mendenhall (DMJM) for the continuance of your services and (3) the resulting contract for your extended services is reviewed and approved by the Bank acting as Executing Agency for the UNDP.

These points were explained to the Government by our cable of January 3, 1969. A cable received from the Government indicates that they have chosen to sign a contract directly with you, a copy of which has been sent to the Bank. We are awaiting this copy for review and approval.

After speaking with a representative of DMJM, we understand that DMJM will pay your passage back to the U.S.; DMJM will not pay for the return of your personal affairs a year from now, since they cannot keep accounts on this job open until then. You should therefore have the Government agree to pay for your return from the U.S. to Bolivia, your trip back to the U.S. and your moving expenses at the end of your contract.

Since you will be under contract with the Government, all details such as dates of trips, time and duration of vacations, etc., should be agreed upon by you and the Government.

I hope this letter will make clear the position of all concerned.

Sincerely yours,

Robert F. Skillings
Western Hemisphere Department

FJDominguez:vbr
cc: Messrs. Riley, Regling, Dominguez.

gm fl

INCOMING CABLE

JANUARY 16, 1969 1605

RC 59/16

ACTION COPY: MR. SKILLINGS

SKILLINGS INTBAFRAD

INFORMATION
COPY: MR. ALTER

LA PAZ

REFERENTE SU CABLE DIRIGIDO MINPLANEAMIENTO FERROBOL MANIFIESTA ACUERDO
Y FIRMO CONTRATO CON SENOR SCHWARZ PARA EXTENSION SERVICIOS UN AÑO.
ENVIAMOS COPIA CON CARTA SALUDOS

MURILLO FERROBOL

cc. Messrs. Riley ✓
Engelmann
Dosik (o/r)



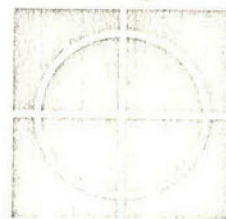
Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 01/16/1969	Document Type Letter			
Correspondents / Participants To: Robert Skillings From: Armando Cazas				
Subject / Title [Work Contract]				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

DANIEL, MANN, JOHNSON, & MENDENHALL

7 January 1969

DMJM



*copies sent
Mann, Poley
Laciana
Shellingford
T. A.*

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. R. KUTAY, A.I.A.

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

JAN 9 1969
Projects Dept. Correspondence

HANSEN

1/9 gm

ANS'D BY _____

DATE _____

Attention: Mr. Peter Engelmann
Chief, Preinvestment Service Division
Transportation Projects Department

Gentlemen:

Subject: BOLIVIA - Transport Survey

Reference: IBRD - Peter Engelmann letter December 19, 1968

DMJM's intention of not translating Volumes II-A, II-B, Agricultural Supplement, Traffic, International Agreements, Bridge Inventory and Highway Supplement was based on the following considerations (by our letter of December 18, 1968, we advised that we were undertaking the additional translating work for Volume II, Parts A and B):

- A. Each of these documents contain information which is largely background or else supplemental to the work performed. The overall transport findings and recommendations of the Consultants are summarized in the summary and conclusions volume and described in detail in each of the five modal volumes which have been provided in both English and Spanish.
- B. Much of the material contained in these documents is source data, which the Government was to have provided but did not do so and DMJM necessarily developed same.
- C. The International agreements are already available to the Government, in Spanish, as it was necessary for DMJM to translate them into English for our use. The essential aspects of Bolivia's International agreements as related to transport are repeated in the summary and conclusions volume and the modal volumes.
- D. Our interpretation of the Contract indicates that the requested translation of reference material is not required.

International Bank for Reconstruction
and Development
Attn: Mr. Peter Engelmann

7 January 1969
Page 2

As respects the consideration stated in "D" above, your attention is invited to the paragraphs of the Terms of Reference cited in your December 19, 1968 letter (Part II-D, Paragraphs (4) and (5), your quotation of these paragraphs ended just short of the prime substance in Paragraph (4), "... summarizing all work performed, the findings and recommendations of the Consultants, and giving maps, plans and diagrams of the proposed transport development program; and." It is our feeling that the portion of the paragraph quoted above defines the contents for the final report and that such definition does not include any reference to background or supporting information. This conclusion is also supported by similar language contained in Article IV, Section 4.09, Paragraph (d) of the Plan of Operations. The information contained in the volumes you now desire that we translate does not provide a summary of work performed or findings or recommendations and, therefore, is not a portion of the final report but merely supporting background data thereto.

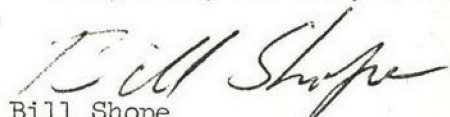
On the basis of the foregoing, we do not believe we are required by Contract to translate the additional material. Further, we would not recommend translating the material since the cost thereof we estimate at \$12,000 to \$15,000, which, in our opinion, exceeds the little added utility attained by translation.

We recognize that the source data will be of substantial continuing value to the Government for many uses. In this connection we believe that the Government could more economically have the information translated.

In the event you continue to desire that we translate the referenced information, we will do so upon receipt of your written direction and increase in the maximum amount of the Contract.

Very truly yours,

DANIEL, MANN, JOHNSON, & MENDENHALL


Bill Shope
Vice President and Manager
International Operations

E. Felix Schwarz
casilla 726
La Paz Bolivia

La Paz January 6 1969

Mr. Robert F. Skillings
Western Hemisphere Dept.

IBRD
1818 H-Street
Washington DC

*cc Mr. Engelman
Mr. Riley
Mr. Dorik*

Dear Mr Skillings:

*Peter:
O'd be grateful
if you would apply*

Thank you very much for your kindness to send me your cable regarding the extension of my work here. This was a very fine news and I like to thank you again for this cooperation.

I will write to DMJM - and tell them this news and will ask them to send me three air-tickets for my wife, daughter and me - so we may leave La Paz for vacation just in beginning of February and be back here around the 20th of same month to continue my job. Besides the vacation question, I have to be back in States before 16th of February because of mine residence visa.

I imagen that DMJM will already know this mine extension - and I understand that this time I will have a direct contract with UN.

I hope soon to have some letter from UN with their contract. Today I called to UN office here - but they still did not have any information. May be next week we will shve this letter and contract.

Today I received also a call from Mr Moises Ramos (who is secretary of Minister Pavisich) and had time to visit this gentleman. He mentioned me your cable to Planification. I understand they will send you confirmation about their acceptance to pay me here the same amount as they do now. I understand that when you mention in your cable about the contractual arrangements with the Goernment here - you are refering to this monthly payments.

Thanking you again for your atencion, I remain
yours truly


E. Felix Schwarz

*No. The contract must either be with
the Government -(financial under UNDP
project) or with IBRD, as executing
agency for UNDP. The contract cannot
be with UNDP*

DE
DMJM

12/31

Boj

file

*Xmas for
TA Files
JSD*

DANIEL, MANN, JOHNSON, & MENDENHALL

27 December 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

Mr. Dante Parisich
Minister of Planning and Coordination
Government of Bolivia
Casilla 3116
La Paz, Bolivia

and

DEC 30 1968

Mr. Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department
International Bank for Reconstruction and
Development
1818 H Street, N.W.
Washington, D.C. 20433

Projects Dept: Correspondence

ANS'D BY

Meeting

DATE

1/31/69

Gentlemen:

Re: BOLIVIA - Transport Survey

#3

We feel certain that the Statistical Supplements submitted to you, as well as our most recent correspondence and discussions have revealed indications that DMJM and its subcontractors necessarily performed additional work and have incurred expenses in excess of the work and maximum amount contemplated in the Agreement of February 10, 1967, as amended. We would hope that you are aware that the additional work and increased costs are due to circumstances and conditions over which the contractors had no control.

DMJM is now preparing summaries and explanations to advise you of the nature and extent of the excess costs incurred, and we shall, during January, present you with a request that the maximum amount under the contract be increased.

As yet we have not seen any comments on the draft reports submitted. We do expect to receive them in due time, however, work necessary to incorporate such comments will further increase the extent of our extra expenses. It is our desire that the work undertaken by us be completed in a manner which will be useful to you and a credit to us.

Respectfully,

Bill Shope
Bill Shope
Vice President and Manager
International Operations

OFFICE MEMORANDUM

TO: Files

DATE: December 24, 1968

FROM: Vincent J. Riley

*VJR (cbh)*SUBJECT: Bolivia Transport Project (BOL-15)

While in New York on December 20 I discussed with Mr. Balthazar, UNDP project officer, my letter of December 18 regarding an extension of the services of Mr. Schwarz in the above project. I reviewed the background of the present project and its relationship to the proposed further assistance to the Bolivian railroads which is presently under consideration by UNDP.

Today I was advised by telephone by Mr. Balthazar that UNDP is writing to agree to the proposals set out in my letter and will request suitable amendments, perhaps by means of an accounting advice, to accomplish this result. I have so advised Mr. Skillings.

I also raised with Mr. Balthazar a question presented by Mr. Morra regarding deferment of one fellowship because the candidate was to undergo surgery and, consequently, would be unable to undertake his fellowship studies on schedule. Mr. Balthazar said it would raise no problem for UNDP to defer the fellowship until October as proposed, and he suggested that reference to this be made at the time of the proposed amendments referred to in the paragraph above. Mr. Morra was advised.

VJR:cbh

cc: Mr. Engelmann
Mr. Morra
Mr. Skillings



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 12/24/1969	Document Type Letter			
Correspondents / Participants To: Richard Demuth, Director, Development Services Department From: Myer Cohen, Director, Bureau of Operations and Programming				
Subject / Title Bolivia Transport Survey				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

Mr. Riley
gufle

December 19, 1968

Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Re: BOLIVIA - Transport Survey

Gentlemen:

Please refer to your letters of October 24 and November 1, 1968, stating your intention not to translate Volumes II-A, II-B, III, and the Agricultural Supplement. Furthermore, in the Statistical Supplement covering the periods January 1 to June 30, 1968 and July 1 to Project Completion 1968, you indicate that you also intend not to translate the supplements on "International Agreements" of the Economics Volume and on the "Bridge Inventory" and "Highway Report" of Volume IV (Highways).

The Terms of Reference (Part II-D - (4) and (5)) are clear in this respect: "The Consultants shall prepare the following reports:-----

- (4) a Draft Final Report upon completion of the project (6 copies in English to the Bank and 6 copies in Spanish to the Government), summarizing-----
- (5) a Final Report (in English and Spanish; number of copies to be determined by the Government and the Bank) incorporating all revisions-----"

In our letter to you of December 5, 1968 we have stated our opinion that it is imperative that Spanish translations of these volumes be made available to the Government of Bolivia.

We have now received from the Government of Bolivia a letter of formal protest about your intention to submit the above mentioned volumes in English only, and asking for our decision on the matter.

We therefore restate our opinion that it is your obligation under your contract with the Bolivian Government for the above Survey to make available to the Bolivian Government in Spanish all the volumes which you have made available to the Bank in English.

cc: Sr. Ing. Dante Pavisich
Ministro de Planificacion y Coordinacion
Secretaria de Planificacion y Coordinacion
Presidencia de la Republica
La Paz, Bolivia

Sincerely yours,

Cleared with & cc:
Mr. Skillings/Mr. Dosik
Mr. Lecuona

cc: Messrs. Riley, R. Jones
Parthasarathi, North
Mackay/Regling
Carmichael/van der Meer
Elsby

Peter Engelmann
Chief, Preinvestment Services Division
Transportation Projects Department

FJDominguez:vbr

UNDEVPRO
LAPAZ

DECEMBER 4, 1968

LT

BOLIVIA

WOULD APPRECIATE YOUR ASSISTANCE IN OBTAINING ANSWER OUR
LETTER NOVEMBER TWENTY TO RAMOS OSINAGA MINISTRY COORDINATION
AND PLANNING REGARDING UNDP FELLOWSHIP CANDIDATE LEJSEK STOP
WE MUST KNOW SOONEST IF RECORD HIS PREVIOUS STUDY AIRMAILED
TO PENNSYLVANIA STATE UNIVERSITY STOP IF APPLICATION NOT
COMPLETED VERY SHORTLY UNIVERSITY WILL NOT ACCEPT LEJSEK FOR
WINTER TERM BEGINNING JANUARY THREE STOP WOULD APPRECIATE
YOUR STRESSING TO RAMOS IMPORTANCE TIME ELEMENT FOR
SUCCESSFUL PLACEMENT CANDIDATES SINCE OTHER CORRESPONDENCE
OTHER FELLOWSHIPS ALSO UNANSWERED

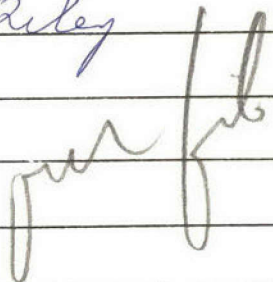
VANWAGENEN
INTEAFRAD

~~REPLY~~

Vincent J. Riley
Development Services

Clearance and cc: Mr. Riley
cc: Mr. Van Wagenen
Mr. Morra

ROUTING SLIP	Date
	12-12-68

NAME	ROOM NO.
Mr. Riley	
	

<input type="checkbox"/>	To Handle	<input type="checkbox"/>	Note and File
<input type="checkbox"/>	Appropriate Disposition	<input type="checkbox"/>	Note and Return
<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Prepare Reply
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Per Our Conversation
<input type="checkbox"/>	Full Report	<input type="checkbox"/>	Recommendation
<input type="checkbox"/>	Information	<input type="checkbox"/>	Signature
<input type="checkbox"/>	Initial	<input type="checkbox"/>	Send On

REMARKS

Comments please
Johnson + Skillings advised
there should be a working
party meeting on this. Probably
12/17/68.

From	D. Johnson	X3924
------	------------	-------

DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

November 29, 1968

Mr. Warren C. Baum
Projects Department in Charge of Transportation
International Bank for Reconstruction and
Development
1818 "H" Street, N. W.
Washington, D. C. 20433

Attention: Mr. Peter Engelmann
Chief, Technical Assistance Section
Projects Department - Transportation

DEC 3 1968
Projects Dept. Correspondence

ANS'D BY _____
DATE _____

Re: Services of Mr. E. Felix Schwarz,
R.R. Acct. & Statistical Specialist


Gentlemen:

Further to our letter of inquiry of October 29, 1968 concerning the possibility of extending the services of R.R. Acct. & Statistical Specialist E. Felix Schwarz in Bolivia, we have just received the attached letter from the Minister of Coordination and Planning.

Continuity of Mr. Schwarz' service to the Bolivian Railways would be highly desirable as it facilitates his work program, involving instruction to various railroad offices in the adoption of revised systems of accounting and record keeping. We accordingly hope, if it is the intention of the U.N.D.P. to provide further financial assistance to the Bolivian Government for Technical Specialists to assist the Railroads, that at least a portion of the assistance funds might be allocated in time to continue Mr. Schwarz' services without interruption.

Mr. Schwarz will otherwise be leaving Bolivia in early February 1969, having provided one year of services under the DMJM contract now in force. As presently planned he will be transferred to the DMJM Los Angeles office pending another assignment.

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, F.A.A.
STANLEY A. MOE, A.I.A.
T. R. KUTAY, A.I.A.

Engelmann
HAASSEN
12/3
indi


Mr. Warren C. Baum

-2-

November 29, 1968

We would be obliged if your office will make inquiry of the U.N.D.P. and advise us concerning intended actions, and the possible timing of such actions, which would permit further assignment of Mr. Schwarz to Bolivia. As we previously advised, we would be pleased to enter into an appropriate contract arrangement for this, and will appreciate any early advice you can give us to permit planning for his extension or transfer.

Very truly yours,

DANIEL, MANN, JOHNSON, & MENDENHALL


F.E. Isgrig
International Operations

FEI/wm

Encl.

DMJM

TRANSLATION

Direccion Nacional de Coordinacion y Planeamiento
Palacio de Gobierno
La Paz, Bolivia

1270-68

November 15, 1968

Mr. F.E. Isgrig
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Blvd.
Los Angeles, California 90005, USA

Dear Mr. Isgrig:

It is my pleasure to answer herewith your note of October 29, in which you advised this Ministry that DMJM is considering the possibility of extending the services of Mr. Felix Schwarz.

In regard to this, I wish to inform you that my government has applied to the United Nations Special Fund for technical assistance for the Empresa Nacional de Ferrocarriles. This assistance would consist in the services of several specialists in the various branches.

At this time, the application has not yet been answered. As soon as we receive the corresponding report, we will be glad to let you know about it.

Very truly yours,

/s/ Ing. Dante Pavisich Ribera
Minister of Coordination and Planning

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

11-18-68

NAME

ROOM NO.

Mr. Riley

841

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

over file

From

P. Engelmann

INCOMING CABLE

DATE AND TIME
OF CABLE:

NOVEMBER 15, 1968

1458

LOG NO.:

ITT 43/15

TO:

ENGELMANN INTBAFRAD

FROM:

LA PAZ

NOV 15 1968

TEXT:

Projects Dept. Correspondence

ANS'D BY

DATE

ROUTING

ACTION COPY:

PROJECTS - TRANSPORTATION

INFORMATION

COPY:

PROJECTS - 342

DECODED BY:

GOBIERNO NO APROBO GASTOS EXCEDENTES DMJM. APROBAMOS CRITERIO RETENCION

FONDOS PAGO SCHWARZ ATTE

PAVISICH SEDEPLA

Re: [unclear]

Government does not approve excessive (exceeding) costs of DMJM. We approve the judgment of retaining funds for payment Schwartz.

AB

Government does not approve excessive (exceeding) costs of DMJM. We approve the judgment of retaining funds for payment Schwartz.

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF 31.0 (2) BOL 15

13 November 1968

Dear Mr. Demuth,

Subject: Quarterly Progress Reports 3 (10 January - 10 April 1968),
4 (10 April - 10 July 1968), 5 (10 July - 10 October 1968)
and Statistical Supplements (1 January - 30 June 1968),
July 1 - Project Completion 1968
BOLIVIA (BOL 15): Integrated Transport Survey

This is to acknowledge with thanks receipt of the
above-noted report. It is now being studied by the
staff and we will, where appropriate, be writing to
you separately on any particular matters arising out
of it.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Rajendra Coomaraswamy".

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 11/12/1969	Document Type Memorandum			
Correspondents / Participants To: R.S. Dosik From: Peter Engelmann				
Subject / Title Bolivia Transport Survey				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

M. Riley
ouft

MINISTRO DANIE PAVISICH
SEDEPLA

NOVEMBER 8, 1968

LT

BOLIVIA

RE TRANSPORT SURVEY AND PAYMENTS TO DMJM STOP BANK RECEIVED CERTIFIED
INVOICES IN EXCESS OF \$90,000 DOLLARS PROVIDED SECTION 303(a) CONSULTANTS'
CONTRACT STOP BANK WILLING TO PAY BALANCE DUE WITHIN THIS CEILING LESS THE
7,000 DOLLARS PAYABLE UNDER CONTRACT ONLY AFTER RECEIPT FINAL REPORT AND ALL
INVOICES STOP BANK ALSO PREFER WITHHOLDING FUNDS TO COVER MONTHLY PAYMENTS
SCHWARZ SERVICES PRESENT CONTRACT STOP DMJM AGREEABLE THIS APPROACH BUT WE
NEED YOURCAB AGREEMENT STOP THIS WAS DISCUSSED WITH MINISTER MENDEZ DURING
MISTER FAVILLA'S VISIT IN SEPTEMBER

ENGELMANN
INTRAPRAD

Peter Engelmann

Transportation Projects

Cleared with and cc: Mr. Douthett / Favilla
Mr. R. Jones
cc: Mr. Riley, Mr. Sassoon

HHansen:mrg

M. Riley
ouf

MINISTRO MENDEZ
MINISTERIO DE OBRAS PUBLICAS
LA PAZ

NOVEMBER 8, 1968

LT

BOLIVIA

SENT FOLLOWING CABLE TO MINISTRO DANTE PAVISICH QUOTE RE TRANSPORT SURVEY
AND PAYMENTS TO DMJM STOP BANK RECEIVED CERTIFIED INVOICES IN EXCESS OF
\$90,000 DOLLARS PROVIDED SECTION 303(a) CONSULTANTS' CONTRACT STOP BANK
WILLING TO PAY BALANCE DUE WITHIN THIS CEILING LESS THE 7,000 DOLLARS
PAYABLE UNDER CONTRACT ONLY AFTER RECEIPT FINAL REPORT AND ALL INVOICES
STOP BANK ALSO PREFER WITHHOLDING FUNDS TO COVER MONTHLY PAYMENTS SCHWARZ
SERVICES PRESENT CONTRACT STOP DMJM AGREEABLE THIS APPROACH BUT WE NEED
YOURCAB AGREEMENT STOP THIS WAS DISCUSSED WITH MINISTER MENDEZ DURING
MISTER FAVILLA'S VISIT IN SEPTEMBER UNQUOTE

ENGELMANN
INTBAFRAD

Peter Engelman
Transportation Projects

Cleared with and cc: Mr. Doak/Favilla
Mr. R. Jones
cc: Mr. Riley ✓
Mr. Sassoon

our file

November 7, 1968

Mr. Erich K. Lang
Resident Representative a.i.
of the United Nations Development Programme
Casilla 686
La Paz
Bolivia

Dear Mr. Lang:

This is just a line to say how much I enjoyed seeing you again in La Paz recently.

I hope very much that the Government's request to extend the services of Mr. Schwartz will be promptly approved by the UNDP. We feel that his work is of great importance and we will take this up with UNDP in New York.

As far as the more extended program of technical assistance to the railways is concerned, it is unfortunate that the matter will not be brought to the Governing Council of the UNDP in January 1969. However, we will discuss with UNDP in New York the possibility of including the further assistance to the railroads in the June 1969 Special Fund Programme. As you know, the Bolivians have asked us to consider lending for the railroads and in these circumstances, we believe it would be desirable that the Bank be closely associated with the railroad technical assistance.

I am sending a copy of this letter to Mr. Cohen in New York.

With kind regards,

Sincerely yours,

Robert F. Skillings
Western Hemisphere Department

Cleared with and cc: Messrs. Riley
Hansen

cc: Mr. Dosik

RFSkillings:hvp



Presidencia de la República

Dirección Nacional de Coordinación y Planeamiento

CABLES "SEDEPLA"
TELEFONO 13192
CAJON POSTAL 3116

DIRECCION: PALACIO DE
GOBIERNO
LA PAZ - BOLIVIA

REGISTERED MAIL NUMBER 190600

1089-68
OCTubre 11, de 1968.

OCT 22 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Señor

Peter Engelmann
Departamento de Proyectos de Transporte
Banco Mundial
1818 H. Street, N.W.

Washington D.C. 20433-USA

Señor Engelman:

Hemos recibido su cable de 9 de Octubre del presente, así mismo la carta de DNJM en que me indica las nuevas fechas de entrega para el estudio de transportes. Le envío una copia de la carta que estoy dirigiendo al señor Bill Shope y espero que se entere de su contenido. / not attached

Le pido que recomiende a DNJM atender nuestro pedido, pues existe verdadero malestar en las entidades participantes y en esta Dirección por la situación creada con las sucesivas postergaciones en las fechas de entrega del borrador de informe.

Considero que la Empresa Consultora no ha adoptado medidas para acelerar el trabajo de traducción y que en gran medida las demoras tienen origen en este punto.

Atentamente.

Dante Parisich M.

Ing. Dante Parisich Mibera
MINISTRO DE COORDINACION Y PLANEAMIENTO

OZ./

8 copies of
JCS DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

2 October 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

HANSEN
10/4

Licenciado Moisés Ramos Osinago
Sub-Secretario de Planeamiento
Ministerio de Coordinación y Planeamiento
Presidencia de la República
La Paz, Bolivia

OCT 4 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Dear Sr. Ramos:

We are well aware of your desire to have the Bolivia Transport Study delivered to you as soon as possible. The difficulties connected with developing a computer program which would effectively deal with the analysis of the numerous projects have now been overcome and the combined efforts of the organizations involved in this study are rapidly bringing the project to a conclusion.

To assist with your planning, it should be helpful to you to have our current forecast of dates on which the reports will be supplied to you. It is our intention to have all volumes, including the economic feasibility analysis of the various projects, printed in English so that they may be mailed to you by the end of this month. A Spanish translation of the summary volume, which includes the vital findings of the report will be completed in time to be mailed to you not later than November 5th. The Spanish translation of the remainder of the studies is proceeding simultaneously with the expectation that all translated volumes will be available to you within 80 days.

Licenciado Moisés Ramos Osinago

2 October 1968

Page 2

We trust that this schedule information will assist you in advance planning of activities related to the development of transportation facilities in Bolivia.

Yours very truly,

DANIEL, MANN, JOHNSON, & MENDENHALL

Bill Shope
Vice President and Manager
International Operations

cc: Mr. Peter Engelman, IBRD - This letter was carried to the
Sub-Secretario by our representative
in Bolivia.

DMJM

2 October 1968
OPS 99

OCT 4 1968

TO: Gen. Paz Soldan - La Paz, Bolivia
FROM: Bill Shope - L.A.

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Attached is a copy of a letter addressed to the Sub-Secretario de Planeamiento, Ministerio de Coordinación y Planeamiento in La Paz, Bolivia. The original of this letter is also enclosed. It would be very much appreciated if you would deliver this to the Sub-Secretario.

We very much regret the time that has been consumed in bringing this report to a conclusion, but it appears now that within a very few weeks the job will be completed. We have had a substantial number of staff members from all of the organizations involved working at SRI for the past several weeks writing the conclusions of this report. One of our problems has been to develop a computer program which would effectively analyze the data we acquired in the field in order to arrive at precise recommendations for all of the projects under consideration.

I am certain that the Sub-Secretario would prefer to have the Spanish translations as soon as possible, but the large volume of the writings, approximately 1700 pages, prevents us from completing the Spanish text for a few weeks after the English version is finished. You may assure the Sub-Secretario that we have six or seven translators working continuously and will forward the Spanish volumes as soon as they are completed.

As you know, the findings with respect to railroads has been expected to be a sensitive subject. Our findings are not sufficiently developed to be conclusive at this time, but if urged you may suggest that the forecast with respect to railroad investment is not as pessimistic as we once feared it might have to be.

We will very much appreciate your delivering the enclosed letter to the Sub-Secretario personally, as we feel such a display of interest would be preferable to simply forwarding the message through the mail.

BS/dm
Encs.

cc: Mr. Peter Engelman - IBRD

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310(2) BOL-15
DP/SF/310 BOL-15

9 October 1968

Dear Mr. Riley,

Subject: BOLIVIA - Integrated Transport Survey (BOL-15)

With reference to your recent enquiry as to the number of copies of the final report on the above project that will be required by the UNDP, we will need ten sets of the report for our own purposes and for the normal distribution carried out by the UNDP after derestriction of reports.

In view of the Government's expressed concern at the implications of some of the preliminary recommendations, it would perhaps be useful at this time to ascertain from the Government whether or not it will agree to de-restriction of the report. The print-run of the report would depend to a large extent on its decision in this respect. We should appreciate your informing us of the outcome of the Bank's discussions with the Government on the final report and on the question of its de-restriction. In the event that the Government indicates it would not wish to release this report, we would need only three complete sets.

Should the Government agree to the de-restriction of the report, the print-run could include provision for distribution of the report to member governments of the United Nations in addition to the requirements of the Bolivian Government, the IBRD and of the UNDP. As you know, upon de-restriction of final reports, the Permanent Missions of the United Nations are informed

Mr. Vincent J. Riley
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Hansen
68-82
11-15
Skellings (Oct. 21)



of their availability through a circular which also informs them from where the reports can be obtained. In the present case, it would perhaps be desirable if an arrangement could be made with the Government for it to store about 100 copies of the summary volume of the report so that we could indicate in the circular that it could be obtained directly from the Government of Bolivia.

I should appreciate having your views on the foregoing points.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Rajendra Coomaraswamy".

for Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluations and Reports

for file

LICENCIADO RAMOS
SEDEPLA
LA PAZ

OCTOBER 8, 1968

LT

BOLIVIA

REURLET SEPTEMBER 18 INJM HAS INDICATED THAT ALL SPANISH SUMMARY
VOLUME WILL BE MAILED TO GOVERNMENT BY NOVEMBER 5 AND OTHER SPANISH VOLUMES
BETWEEN THAT DATE AND DECEMBER 20 STOP INJM CONFIRMING THIS TO YOU REGARDS

ENGELMANN
INTBAFRAD

Cleared with and cc: Mr. Fajans
cc: Messrs. R. Jones, Riley, Sarason,
North, Parshasorathi, Hagling,
Spencer

Peter Engelmann

Projects, Section Chief

HHansen:urg

Oct

9

to Rili

from Coomaraswamy

bring record to

send to Skillings



RECORDED
MAIL NUMBER 190602

Jim fed

DIRECCION NACIONAL DE COORDINACION Y PLANEAMIENTO
SECRETARIA TECNICA DE PLANIFICACION
LA PAZ - BOLIVIA

*11/11/58 W
10/22 mol.*

Cajón Postal 3116
Cables: "Sedepla"

Teléfonos: 22243 - 11355
Av. 20 de Octubre esq. F. Guachalla

1006-68

Septiembre 26, 1968.

OCT 22 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Al señor

Peter Englemann
Departamento de Proyectos de Transporte
Banco Mundial
1818 H Street N.W.

Washington D.C. 20433 - USA

Señor Englemann:

El señor Walsh nos ha enviado dos estudios complementarios al Estudio Integral de Transportes, el primero es un suplemento del informe de carreteras y el segundo una compilación de convenios internacionales de Bolivia relacionados con el transporte.

Deseamos que el Banco Mundial examine la posibilidad de que ambos documentos complementarios sean traducidos al español.

Con este motivo, saludo a usted atentamente.

LIC. MOISES RAMOS O.
DIRECTOR NACIONAL de COORDINACION y PLANEAMIENTO

OZZ/llm.

Mr. Riley
original

Files

September 23, 1968

Peter Engelmann

BOLIVIA - Transport Survey

On September 20, 1968 Mr. Barry Mountain of Daniel, Mann, Johnson & Mendenhall transmitted copy of the following telex he received from the Los Angeles office of his firm:

"CONSULTING TEAM DMJM, SRI, AMVA, CONTINUED INTENSIVE EFFORT LAST WEEK IN MENLO PARK TO OVERCOME PROBLEMS WITH SOURCE DATA, DATA RECONCILIATION, COORDINATION, ETC., IN AN EFFORT TO MEET OCTOBER 28 SUBMISSION DATE FOR ENGLISH VERSION OF REPORT. JOINTLY PREPARED SCHEDULE INDICATES THAT BARRING FURTHER ADDITIONAL PROBLEMS BEYOND THE CONTROL OF THE CONSULTANTS AS HAVE HINDERED PAST PERFORMANCE OCTOBER 28 CAN BE MET. CONSULTANTS CONTINUE TO EXPEND GREAT EFFORT AND EXPENSE BEYOND ANYTHING ORIGINALLY CONTEMPLATED AND NOW FEEL REASONABLY CONFIDENT OF THE OCTOBER 28 SUBMISSION DATE. LETTER AND SCHEDULE DETAILS FOLLOW."

This morning I telephoned the Los Angeles office of DMJM to enquire about the schedule for the Spanish translation of the text. I was informed by Mr. L. K. Madsen, Assistant to Mr. S. A. Moe, that the firm had hoped to delay translation into Spanish until comments had been received on the English draft.

I advised Mr. Madsen that comments on the Draft Final Report could not be expected from the Government until the Spanish translation is in hand and that the completion of this translation work is as urgent as the completion of the Draft Final Report in English. Mr. Madsen advised that some of the volumes had already been translated but that they had not yet reproduced the Spanish texts. He agreed that they would expedite completion of the Spanish Draft Final Report as much as possible.

I requested that DMJM now go on record formally, by writing a letter to the Government with copy to the Bank, advising on the schedule of completion for the English and Spanish versions of the Draft Final Report. Mr. Madsen agreed that such a letter would be sent within the next two days.

PEngelmann:vbr

cc: Messrs. Skillings/Fajans, R. Jones, D. Sassoon, Riley, Mackay/Regling, North, Elsby, Parthasarathi.

Mr. Riley - for info.



1. PE
REGISTERED
MAIL NUMBER 173855

DIRECCION NACIONAL DE COORDINACION Y PLANEAMIENTO
SECRETARIA TECNICA DE PLANIFICACION
LA PAZ - BOLIVIA

Cajón Postal 3116
Cables: "Sedepla"

Teléfonos: 22243 - 11355
Av. 20 de Octubre esq. F. Guachalla
974-08

La Paz, 18 de septiembre de 1968.

Señor

Peter Engelmann
Departamento de Proyectos de Transporte
Banco Mundial
1818 H. Street, N.W.
Washington D.C. 20433-USA

SEP 24 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Señor Engelmann:

Estoy muy preocupado con la demora en el envío del informe final sobre el Estudio de Transportes. El 27 de junio recibimos una carta del señor Donald A. Walsh, Gerente del Proyecto en la que se establecían fechas comprendidas entre el 1° de Agosto al 30 de Septiembre para la entrega de los ejemplares en español. Sin embargo, hasta hoy no se ha recibido ningún ejemplar en español y como comprenderá usted, la versión en inglés no nos sirve para la revisión. Deseo poner en su conocimiento que esta demora nos ocasiona un perjuicio considerable. Es necesario que el Banco Mundial, recomiende de un modo eficaz el cumplimiento de los plazos de entrega ofrecidos por el señor Walsh.

Hemos recibido muchas consultas sobre varios temas tratados en el Estudio de Transportes por parte de las agencias participantes en el proyecto, las cuales están enteradas naturalmente de las fechas fijadas en el contrato y que fueron modificadas atendiendo a las dificultades expuestas por el Gerente del Proyecto, pero nosotros no podemos explicar una demora mayor.

Con este motivo le saludo atentamente.

LITO, MOISES RAMOS O.
DIRECTOR NACIONAL de COORDINACION y PLANEAMIENTO

OFFICE MEMORANDUM

TO: Files

DATE: September 16, 1968

FROM: Vincent J. Riley *VJR*SUBJECT: Final Reports - Bolivia Transport Study (DP/SF/310 BOL 15)

At Mr. Harald Hansen's request, I called Mr. Louis Shapiro today for advice on the number of copies UNDP wants of the final report of this project. I told him that the draft final report is due by the end of October and will consist of eight volumes: Summary, Economics, Traffic, and one on each of the five principal transport modes. The final report may have the same number of volumes or some may be combined. We would expect to receive it near the end of the first quarter of 1969. Mr. Shapiro told me that UNDP has been reviewing its requirements for production of reports and intends to cut down the large number that are currently being produced and distributed. Against this background, they will check their requirements, and he will advise me within a few days on the number UNDP desires. The quantity of the summary volume will probably be greater than that of the rest. He also asked me to ensure that the reports will be bilingual.

VJR:cbh

cc: Mr. H. Hansen

cc to Wky Party
ETA Files

9/13 for

INCOMING CABLE

DATE AND TIME
OF CABLE:

SEPTEMBER 13, 1968 924 PM

LOG NO.:

WU 24/13

TO:

ENGELMANN INTBAFRAD

FROM:

LOS ANGELES, CALIFORNIA

ROUTING

ACTION COPY:

PROJECTS - TRANSPORTATION

INFORMATION

COPY:

PROJECTS - 342

DECODED BY:

TEXT:

RE TELCON 10 SEPTEMBER. WITH THE OBJECTIVE OF COMPLETING ENGLISH
VERSION OF BOLIVIA REPORT BY 28 OCTOBER DMJM AND VOORHEES PEOPLE
MOVING TO PALO ALTO MONDAY 16 SEPTEMBER TO WORK AS TEAM. THOUGH
DMJM CONSIDERS 28 OCTOBER DATE FIRM SRI UNWILLING TO MAKE FIRM COMMITMENT
UNTIL AFTER ONE MORE WEEKS WORK. WILL ADVISE FURTHER BY LETTER

S A MOE

SEP 13 1968

Projects Dept. Correspondence

ANS'D BY

DATE

COMMUNICATIONS
SECTION

SEP 13 1968

NA

Files

September 11, 1968

Peter Engelmann

BOLIVIA - Transport Survey

Last week I was in touch by telephone with Mr. Donald Walsh, Project Manager of DMJM for the above Survey, Mr. Beggs of SRI and Mr. Crump of Alan M. Voorhees & Associates. The purpose of my telephone conversations was to urge maximum effort in the completion of Draft Final Reports for this project.

The Consultants informed me that the last increment of information from Alan M. Voorhees was about to be received by SRI and that the economic analysis of transport projects and the establishment of priorities would then be completed by SRI. They informed me that a definite time schedule would be available this week.

Yesterday I telephoned Mr. Moe, Executive Vice President of DMJM, who responded to my call to Mr. Mendenhall, who was out of town. Mr. Moe stated that a meeting between SRI and DMJM last week had resulted in the following schedule for completion of the Draft Final Reports:

- (a) processing by SRI of data just received from AMV on generated traffic: one week;
- (b) analysis of individual highway and railroad improvement projects by SRI, based on complete traffic forecasts (several hundred projects): two weeks;
- (c) ranking of priorities of projects to start October 1;
- (d) Volume I (Summary Report) results available October 14;
- (e) Volume I to be delivered October 21; and
- (f) other volumes on railroad and highway systems to be delivered October 28.

I pointed out to Mr. Moe that this schedule was contrary to all previous understanding, which indicated delivery of the remaining reports by the middle of September. I also indicated that the revised schedule would not permit us to have meetings in Bolivia, for discussion of the Draft Final Reports with the Government, during the latter part of October, as had been tentatively scheduled on the basis of the previous completion date. I also took the opportunity to mention to Mr. Moe that DMJM's inability to produce a Draft Final Report within nine months of the return of their team from Bolivia has had an adverse effect on the Bank's evaluation of a proposal received for Highway Studies in Indonesia in which DMJM participated.

September 11, 1968

Mr. Moe responded to my statements with the predictable expressions of dismay and regret and with assurances to do everything possible etc., etc. At my request he will confirm the revised time schedule for delivery of reports in writing.

PEngelmann:vbr

cc: Messrs. Skillings/Favilla

Riley ✓

Sassoon

Reamy

Parthasarathi

Mackay/Regling

North

Elsby

file

Mr. J. C. Reamy

August 29, 1968

Peter Engelmann

UNDP - BOLIVIA - Transport Study

In reference to your memorandum of July 31, I telephoned Mr. Donald Walsh, Project Director, DMJM, yesterday to discuss our procedure for making the next payment to this firm.

As background you should know that there will be further delays in the delivery of the Draft Final Report. We have received so far Volumes VI, VII and VIII but Volumes I through V will not reach us until the middle or end of September. This is a very serious situation, created by difficulties among the economist firms on the team and between these firms and DMJM. These difficulties, however, create a favorable climate for 'reasonableness' on matters of payment.

I suggested to Mr. Walsh that it would be logical to withhold payment for the printing of the Final Report as well as for the extension of the accounting and statistical specialist (items f) and g) in your memorandum) until these services have been performed. In other words, we would not pay US\$7,000 for printing and US\$30,500 for Mr. Schwartz's services until they have been earned. The latter would be paid in the monthly installments foreseen in the Schedule of Payments.

In summary, the result of my proposal to Mr. Walsh would be as follows:

a) Contract ceiling	US\$890,000.00
b) Amounts to be paid at a later date	37,500.00
c) Difference between a) and b)	852,500.00
d) Amount paid to date	793,606.20
e) Amount to be paid at this time	<u>US\$ 58,893.80</u>

Mr. Walsh said he would have to check this with his front office and would call me back. He telephoned me this morning to advise that DMJM would have no objection to the proposed manner of payment. I therefore suggest that you proceed accordingly and confirm the above understanding in your transmittal letter to DMJM.

cc: Mr. Skillings
Mr. Favilla
Mr. Sassoon / Lecuona
Miss Powell
Mr. Hansen

PEngelmann: on

Miss Powell
File - Bolivia Tpk.
file

August 16, 1968

Mr. Erich K. Lang
United Nations Resident Representative, a.i.
Casilla 686
La Paz
Bolivia

Dear Mr. Lang:

With apologies for the delay because I just returned from a long vacation, I am pleased to acknowledge your letter of July 19 regarding the Integrated Transport Survey.

I understand from Mr. Fajans that you have already discussed most of the points you raise in your letter with him and Mr. Sassoon, in their recent visit to Bolivia.

We are at present reviewing three of the volumes of the Draft Final Report dealing with pipelines, air transport and ports and waterways, which we have received from the consultants (Daniel Mann, Johnson and Mendenhall). Copies of these volumes in English have also been sent to the Government by the consultants. We expect to receive the remaining volumes in the next three weeks and so will the Government. The Spanish version of the Draft Final Report will be submitted to the Government three to four weeks after the English version.

As you know, we have for some time been interested in knowing the investment requirements of Bolivia's transport sector and we hope that the transport survey will help us identify possible projects. In this context, we will review the Draft Final Report thoroughly and objectively. Once this review has been completed, we intend to send a mission to Bolivia to discuss with the Government the findings and recommendations of the consultants. I have great hopes that this exercise will help dissipate the misgivings of the Government about the usefulness of the transport survey.

While I agree with your views that possibly some of the recommendations of the consultants might prove to be politically unacceptable, I feel that in all fairness to Bolivia it would be wrong if the consultants would try to evaluate political factors and would not bring up to light any weakness that might be present in the transport system. I believe that the consultants should confine themselves to presenting an accurate picture of the costs and benefits of alternative courses of action so that the Government itself can give the economic factors proper weight when making its conclusions.

Mr. Erich K. Lang

- 2 -

August 16, 1968

As we have done in the past, we will keep you informed of our future visit so that once more we can make use of your good services.

With best personal regards,

Sincerely yours,

Alberto J. Favilla
Western Hemisphere Department

Cleared with and cc: Messrs. Hansen
Miss Powell

cc. Messrs. Sassoon
Skillings o/r

AJFavilla:smk

OK. 15
Aug. 16
←
DRAFT
AJFavilla:mdk
August 16, 1968

File - Bolivia
2pt.

Mr. Erich K. Lang
United Nations Resident Representative, a.i.
Casilla 686
La Paz, Bolivia

Dear Mr. Lang:

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Once this review has been completed, we intend to send a mission to Bolivia to discuss with the Government the findings and recommendations of the

consultants. I have great hopes that this exercise will help dissipate the misgivings of the Government about the usefulness of the transport survey.

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As ~~you~~ we have done in the past, we will keep you informed of our future visit so that once more we can make use of your good services.

With best personal regards,

Sincerely yours,

Alberto J. Favilla
Western Hemisphere Department

To be cleared with Messrs. Riley
Hansen

EP

(I've advised
Favilla 8/14)

Mr Demer wants Favilla's reply to
include comment on:

1. Our staff did maintain contact
with Lamy. Perhaps Walsh did
not, but it's at least questionable
how much Ros Rys should be
involved with consultants or "influence
implementation"
2. The fact that Bolivia is getting a
credit for Paving a road, doesn't
mean this is economically
justified
3. The fact that RRs are uneconomic
the world over doesn't mean
that the Consultants should ^{NOT} try
to judge the economic merit of
these
4. We've got a mission going, next
month, to discuss this with Govt.
AND UNDP Rep. Rep.



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 07/19/1968	Document Type Letter			
Correspondents / Participants To: Alberto Favilla, IBRD From: Erich Lang				
Subject / Title Integrated Transport Survey				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF 310 BOL 15

8 August 1968

Dear Mr. Demuth,

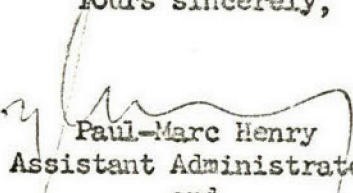
Bolivia: Integrated Transport Survey

This is to acknowledge with thanks receipt of Mr. Riley's letter dated 31 July 1968, concerning some difficulties regarding the above project, and of a copy of the cable stating the Bank's position in this respect sent by Mr. Skillings to the Government.

As the Resident Representative, a.i., in Bolivia also expressed his concern over the apparent disagreement between the Government and DMJM on some of the latter's preliminary recommendations, we are informing him about your proposed course of action.

We trust that your discussions with the Government on this matter will bring about a satisfactory solution for all parties concerned and would be most grateful for your keeping us informed of the results of these discussions and any further developments.

Yours sincerely,


Paul-Marc Henry
Assistant Administrator
and

Associate Director, Bureau of Operations and Programming

Mr. Richard H. Demuth, Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

cc: Messrs. Sassoon
Skillings
Engelmann
Development Services Dept. ✓

*See memo.
Aug. 2*

ROUTING SLIP		Date August 2, 1968	
NAME		ROOM NO.	
Mr. Favilla/Mr. Fajans		584	
Mr. R. Jones		722	
Mr. Riley ✓		841	
Mr. Sassoon		811	
Mr. Hogg/Mr. Parthasarathi		474	
Mr. Regling/Mr. Spencer		F-332	
Mr. North		405	
To Handle		Note and File	
Appropriate Disposition		Note and Return	
Approval		Prepare Reply	
Comment		Per Our Conversation	
Full Report		Recommendation	
Information		Signature	
Initial		Send On	
RE' YS <u>BOLIVIA - Transport Survey</u>			
Attached for your information please find a copy of an incoming letter from DMJM attaching copies of letters exchanged between the Government and the Consultants.			
No action should, if at all, be taken until Messrs. Fajans and Sassoon have returned from Bolivia.			
From H. Hansen			

DMJM

om file

DANIEL, MANN, JOHNSON, & MENDENHALL

26 July 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

*HANSEN
PARTIAL
PEGLING
SPENDER
7/30 1968*

Mr. Peter Engleman
International Bank for Reconstruction
and Development
1818 "H" Street, N.W.
Washington, D.C. 9006

JUL 29 1968
Projects Dept. Correspondence

ANS'D BY _____
DATE _____

Dear Mr. Engleman:

Enclosed herewith for your information is a copy of a July 19, 1968, letter in Spanish (with English translation), from the Minister of Planning in Bolivia, relative to the transport study. We are also enclosing an English translation of our response to this letter, which was sent out officially in Spanish.

These documents are being transmitted to you in the interest of keeping you informed on our current communications with the Bolivian Government.

Yours very truly,

Donald A. Walsh

Donald A. Walsh
Project Manager

DAW/aer
Enclosures

DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

26 July 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

His Excellency Rolando Pardo Rojas
Ministro de Coordinacion y Planeamiento
Presidencia de la Republica
Secretaria Nacional de Planificacion y Coordinacion
La Paz, Bolivia

Your Excellency:

We are in receipt of your letter of July 19, 1968, regarding the Bolivia Transport Study and we wish to comment as follows on the points that you have raised.

1. We do assure you that our railroad report is being prepared with due regard for the realities of Bolivian railroad transport. In fact, one of the principal reasons for the delay in preparing the railroad section of the report is that we are delving quite deeply into these realities particularly from the standpoint of the economics of railroad operations in Bolivia. As you will understand we cannot make recommendations which are not economically sound and practical even though this might mean the elimination of certain projects which are considered desirable by present railroad management. Considering the current operating deficits and obligations outstanding, particularly on the eastern railroads, we must evaluate railroad projects in relation to the benefits that might be gained by investing in other forms of transport in lieu of railroads.
2. We concur with you that the railroads will require additional technical advisory services beyond those provided by DMJM personnel. It was never envisioned that the advisors sent to Bolivia by DMJM would resolve all of the problems of the railroads within the short period of time allocated to them. Our obligations under the contract were to implement the SOFRERAIL recommendations to the extent that the time allocated to this work (32 man months) would permit. For example, one diesel expert could not be expected to resolve the problems related to dieselization within the four-month period allotted to him when neither the diesel engines nor the diesel shop equipment, on order, had yet arrived in the country. The management and administrative problems of Bolivian railroads are such that they would require the assistance

of foreign advisors for a period of from two to five years. Our report, as well as preliminary information already provided to the railroad authorities, outline the types of experts which we judge are needed and the time periods required for each of them. This is an important element in the development and improvement of the railroad system, and we are of course prepared to collaborate with and provide further assistance to the railroad authorities, as may be desired, in the arrangements to have such a staff of specialists provided.

3. We do not agree that the railroad report is being prepared by personnel who are not specialized in railroad work. We would like to point out that all railroad personnel assigned to the project were approved by both the World Bank and the Bolivian railroads. This approval was required by our contract to avoid assignment of personnel whom either the Bank or the Empresa considered unqualified. It is difficult to understand how these men now became unqualified after they were initially approved by the railroads and each worked in Bolivia for the scheduled period of time. During the period of their service no requests were received from the Empresa that they be replaced because of a lack of qualifications. In fact, the contracts of at least two of them were extended at the request of the railroads. The fact is that we now have report writers, editors and others working on this report who are not railroad specialists, but we assure you that the information with which they are working was obtained by the various railroad specialists who worked on the project. This same procedure is being utilized on other volumes of the study since it is not always true that a good technician is necessarily a good report writer.

4. If there exists a lack of communications and coordination between DMJM and the Bank we were not aware of it. We have attempted to promptly answer all their communications and inquiries and have had several meetings with them relative to this project since the staff returned to the United States.

5. It seems premature to us for your office to make a general condemnation of the study, considering that it is not yet complete and has not been submitted for review. We further note that this condemnation is based solely on the report of one commission member, and that the reports of the head of the commission, Mr. Dalenz, and those of Messrs. Tejerina and Irahola for air transport and highway transport, are not considered at all in this judgment.

We frankly feel obliged to inform you that we have been subjected to considerable pressure throughout the course of this study relative to recommendations which should or should not be made with respect to improvements for the Bolivian railroads. We cannot accede to such pressure as it is inconsistent with our obligations as your

DMJM

His Excellency Rolando Pardo Rojas
Ministro de Coordinacion y Planeamiento
La Paz, Bolivia


26 July 1968
Page 3

consultant to make our evaluations on sound economic and engineering considerations. We further take exception to what appears to be an attempt to discredit the report findings, and the consultant personnel who have participated in this study program, on the part of those with special interest in a particular transportation branch. Such criticism is not, it seems to us, in the best interests of all concerned. It will in any event have no effect on our professional findings and recommendations.

In conclusion, we assure you that we are doing everything possible to complete this report as quickly as possible. All proposed transportation projects, including railroad projects, are being evaluated on their economic and engineering merits, and our analyses will result in as favorable recommendations as possible within the framework of sound, prudent and balanced judgment. We solicit your good offices and backing in the carrying out of our professional responsibilities in this respect.

Very truly yours,

DANIEL, MANN, JOHNSON, & MENDENHALL


Donald A. Walsh
Project Manager

DAW/aer

DMJM





Presidencia de la República

Dirección Nacional de Coordinación y Planeamiento

CABLES "SEDEPLA"
TELEFONO 13192
CAJON POSTAL 3116

DIRECCION: PALACIO DE
GOBIERNO
LA PAZ - BOLIVIA

DNCP. 774-68

Julio 19, de 1968.

Al señor

Donald A. Walsh
EMPRESA "DANIEL, MANN, JOHNSON
& MENDENHALL"

3325 Wilshore BLVD

Los Angeles, California 90005

Señor:

Para su conocimiento, tengo a bien transcribir el texto de la siguiente nota que me ha sido dirigida, en fecha 11 del mes en curso, bajo el número 385/68 por el Ministro de Hacienda:

" Señor Ministro: --- Para su conocimiento me es grato transcribirle el siguiente informe que el Departamento de Estudios de este Ministerio me ha elevado con relación al Estudio Integral de Transportes en el país:
" " Señor Ministro:--- El Ing. Oscar Ríos Castro Ay. Sub-gerente Administrativo de la Empresa Nacional de Ferrocarriles, como miembro componente de la Comisión encargada de cooperar en la labor final sobre el Estudio Integral de Transportes en Bolivia, a su retorno de los EE.UU. ha elaborado su informe, cuyo resumen lo extractamos, en sus partes más salientes, lo siguiente: 1°. La firma Daniel Mann Johnson y Mendenhall (D.M.J.M.), contratista para efectuar el estudio Integral de Transportes en Bolivia, ha subcontratado a las empresas Standford Research Institute (S.R.I.) para efectuar el estudio económico y la Alan M. Woorhees (A.M.V.) como especializada en proyecciones de tráfico.--- 2°. Los trabajos a cargo de las tres empresas citadas, fuera de estar demoradas en la entrega del informe final están efectuándolo con desconocimiento total de la realidad del transporte ferroviario nacional.--- 3°. La Empresa Nacional de Ferrocarriles, se ha visto obligada a requerir nuevo asesoramiento técnico, justamente en los capítulos en los que se desempeñaron los asesores de D.M.J.M.--- 4°. La empresa D.M.J.M. carece de personal responsable para la redacción del volumen sobre el transporte ferroviario, es decir que el informe final será redactado por personal no especializado en la materia.--- 5°. Existe desconexión entre el Banco Mundial (Agente Ejecutivo del Gobierno de Bolivia) y la firma consultora D.M.J.M. y como es de conocimiento del señor Ministro, se tiene destina



Presidencia de la Republica

Dirección Nacional de Coordinación y Planeamiento

CABLES "SEDEPLA"
TELEFONO 13197
CAJON POSTAL 3116

DIRECCION: PALACIO DE
GOBIERNO
LA PAZ - BOLIVIA

2.-

" " do un millón de dólares para efectuar los estudios sobre el
" " transporte en Bolivia, financiados en la siguiente forma: -
Donación del Fondo Especial de
las Naciones Unidas \$us. 800.000.-
Aportes del Gobierno de Bolivia " 200.000.-

" " Si bien los resultados finales de este estudio no se los con
" " ce aún, podemos advertir por el informe del Ing. Ríos Castro,
" " que los resultados a que arribe la firma D.M.J.M. en sus estu
" " dios en materia ferroviaria, no serán de la entera satisfac -
" " ción para los requerimientos del transporte nacional, por no
" " ser esta empresa especializada en la materia, es decir que des
" " de ya se adelantan conceptos en sentido de que estos estudios
" " no contemplarán recomendaciones reales ni efectivas para los
" " fines propuestos. Ahora nos preguntamos: qué medidas se es -
" " tán adoptando para corregir estos defectos?. Si existe ya una
" " advertencia con el informe del representante de la Empresa Na -
" " cional de Ferrocarriles, corresponde a los organismos técni -
" " cos del Ministerio de Obras Públicas y Comunicaciones tomar -
" " todas las providencias del caso realizando las reclamaciones
" " por conducto del Banco Mundial, a fin de no ser sorprendidos
" " con un trabajo impropio, caro (un millón de dólares) y que no
" " tendrá aplicación práctica en el país.----- No tenemos conoci
" " miento sobre las observaciones que hubieran hecho los repre -
" " sentantes de los sub-sectores aéreo y de carreteras, señores
" " Federico Tejerina y Eduardo Irahola, respectivamente, que via
" " jaron a los Estados Unidos como integrantes de la Comisión -
" " Técnica boliviana, para evaluar estos estudios en sus especia
" " lidades.---- Es cuanto informa.---- La Paz, 6 de junio de 1968.
" " Fdo. Carlos Baldivieso Velasco, Técnico del Departamento de Es
" " tudios Financieros.-----"

" Con este motivo, me es grato renovarle las seguridades de mi con
" sideración distinguida.---- Fdo. José Romero Loza, Ministro de Ha
" cienda.-----"

El contenido de la nota transcrita, muestra con claridad me -
ridiana, la forma completamente irresponsable con que se está efec -
tuando el Estudio Integral de los Transportes en Bolivia. Por lo
tanto, mi Despacho, velando por los intereses de mi país, vé por -
conveniente solicitar a usted la revisión inmediata del Estudio, -
en toda su integridad y extensión.

Con este motivo, saludo a usted atentamente.


Rolando Pardo Rojas
MINISTRO DE COORDINACION Y PLANEAMIENTO

GC/Bgm.

DIRECCION NACIONAL DE COORDINACION Y PLANEAMIENTO
DIRECCION: PALACIO DE GOBIERNO
LA PAZ, BOLIVIA

English Translation

DNCP. 774-68

July 19, 1968

Mr. Donald A. Walsh
Daniel, Mann, Johnson, & Mendenhall
3325 Wilshire Blvd.
Los Angeles, California 90005

Sir:

For your information I have the pleasure to transmit herewith to you the text of the following note that has been directed to me under date of July 11, correspondence registry number 385/68, from the Minister of Finance:

"Mr. Minister (Pardo): For your information it is my pleasure to transmit to you the following report that the Planning Department of this Ministry has prepared for me with regard to the Estudio Integral de Transportes in Bolivia."

"Mr. Minister (Losa): Engineer Oscar Rios Castro Ay., Assistant General Manager for Administration of the Empresa Nacional de Ferrocarriles, as a staff member of the commission charged with cooperating in the final work of the Estudio Integral de Transportes in Bolivia, upon his return from the United States has prepared his report from which we have extracted the most salient parts as follows:

- "1. The firm of Daniel, Mann, Johnson, & Mendenhall (DMJM) prime contractor for carrying out the Estudio Integral de Transportes in Bolivia has subcontracted to Stanford Research Institute (SRI) to carry out the economic studies and with traffic specialists Alan M. Voorhees (AMVA) for the traffic projections.
- "2. The work being carried out by these three firms, besides the delays in the delivery of the final report, it is being prepared without any knowledge of the realities of Bolivian railroad transport.
- "3. The Empresa Nacional de Ferrocarriles has been obliged to ask for additional technical assistance for the same types of services

Mr. Donald A. Walsh

-2-

July 19, 1968

that were to have been provided by the advisors supplied by DMJM.

"4. DMJM lacks the qualified personnel for the preparation of the volume on railroad transport, that is to say, that the final railroad report is being prepared by personnel who are not specialized in this subject.

"5. There exists a lack of communication between the World Bank (Executive Agent for the Government of Bolivia) and the consulting firm of DMJM.

"As is known by you, Mr. Minister, there has been allocated to the project the sum of one million dollars to carry out the studies related to transport in Bolivia. This has been provided in the following manner:

Donation from the U. N. Special Fund	\$800, 000
Support by the Government of Bolivia	200, 000

"Even though the final results of this study are not yet known, we should be forewarned by the report of Engineer Rios Castro that the results arrived at by the firm of DMJM in their studies of railroad matters are not entirely satisfactory for the requirements of national transport because this firm is not specialized in railroad work. This is evidenced by the observation that they have already made recommendations which indicate that their studies do not contemplate realistic nor effective recommendations to provide the necessary solutions to the railroads' problems.

"Now we ask, what measures are being adopted to correct these defects? If there already exists a warning as per the report of the representative of the Empresa Nacional de Ferrocarriles, it behooves the technical organizations of the Ministry of Public Works and Communications to take the action necessary relative to these complaints which have been made and to transmit them through the proper channels of the World Bank. If this is done, they (the Bank) will not be surprised with an expensive (one million dollars) and unsatisfactory report which has no practical application for the country.

"We have no knowledge relative to the observations that have been made by the representatives of the air and highway sub-sectors, Messrs. Federico Tejerina and Eduardo Irahola respectively. They both travelled to the United States as members of the Bolivian Technical Commission to evaluate the aspects of the study as related to their specialties. ---(end of report).

La Paz, June 6, 1968
(Signed) Carlos Baldivieso Velasco
Department of Financial Studies"

Mr. Donald A. Walsh

-2-

July 19, 1968

"Please accept my greetings.

(Signed) Jose Romero Loza
Minister of Hacienda"

The contents of the above note demonstrates with distinct clarity the completely irresponsible manner in which the Bolivian Transport Study is being carried out. Nevertheless, my office in its position of seeing after the interests of the country, considers it advantageous to request of you the immediate revision of the complete study and its findings.

Yours very truly,

(Signed) Rolando Pardo Rojas
Ministro de Coordinacion y Planeamiento

GC/Bgm.

for file
BOL-15

Files

La Paz, August 2, 1968

Joseph Fajans

Bolivia - Transport Survey

1. Having received Mr. Skillings' cable of July 30, and after trying several times to see Mr. Pardo Rojas, former Minister of Planning and Coordination and presently Under-Secretary at the Ministry of Finance, I called on August 2 on Mr. Moises Ramos Osinaga, Under-Secretary of the Ministry of Planning and Coordination, temporarily in charge of this Ministry. I was accompanied by Mr. Sassoon and Dr. Erich Lang, UNDP Resident Representative in Bolivia.
2. The demise of Mr. Pardo Rojas, an impulsive man and a friend of the President, should facilitate our future contacts with the Government officials involved in the Transport Survey. Mr. Ramos gave me the impression of being poised, competent and opposed to making further acrimonious representations to the Bank.
3. I explained that, at this stage, no party was in a position to form opinions and express views about the Survey. We had to wait until the Government and the Bank had carefully reviewed the draft, in its entirety and not piece meal. Once the Government and the Bank have done so and have formulated their observations, we would like, as Mr. Skillings had suggested in his cable, to send a mission to discuss these observations with the Government before passing them on to the Consultants. I expressed the hope that our reaction to the draft report would be similar; if we disagreed in respect to the comment to be given the Consultants, we would have to consider how to resolve the differences between the Government and the Bank.
4. Mr. Ramos and Dr. Lang were in complete agreement with this course of action. Mr. Ramos showed me his reply of August 1 to Mr. Skillings' cable and he concurred that his sentence about the Consultants and Government officials cooperating in the formulation of the recommendations of the survey could only mean that the Consultants would draft the recommendations but subsequently take into account the Government's and the Bank's observations, particularly with regard to the form in which these recommendations were expressed. Mr. Ramos was particularly worried that the Consultants might in a high handed way reject as unjustified a project for surfacing two roads which had been studied by TAMS for USAID and for which USAID was about to make a loan of some \$15 million. Information to this effect had apparently leaked out of the Consultants headquarters. I promised Mr. Ramos that on my return to Washington the Bank would once again remind DMJM of the need for complete discretion.
5. I further promised Dr. Lang that we shall keep him directly informed of major developments concerning the Survey and particularly

of our plans for the mission suggested by Mr. Skillings. In La Paz, that mission would closely cooperate with him.

cc: Messrs. Skillings/Favilla
Riley ✓
Engelmann/Hansen
Sasseon
Dambaki

JFajans/vs

(C O P Y)
INCOMING CABLE

our file
BOL-15

August 2, 1968

RC 28/2

INTBAFRAD

From: LA PAZ

No. 4

RE TRANSPORT INFORM ENGELMANN EVERYTHING IN HAND

FAJANS

cc; Messrs. Hansen
Riley
Hogg
Fajans
Favilla
Jones
Lecuona

gm fib

August 1, 1968

Mr. Donald A. Walsh
Project Manager
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Blvd.
Los Angeles
California 90005

Re: BOLIVIA - Transport Survey

Dear Mr. Walsh:

This will acknowledge receipt of your letter of July 23, 1968 and six copies of your Draft Final Report Vol. VII, Air Transport.

As indicated in our letter of July 18, 1968, we shall be in contact with you if we have any urgent questions, but we shall not be commenting on the individual Volumes until we have received and reviewed all of the Volumes.

Sincerely yours,

Peter Engelmann
Chief, Technical Assistance Section
Projects Department - Transportation

cc: Sr. Rolando Parde Rojas
Ministro de Coordinacion y Plasmamiento
Secretaria Nacional de Planificacion y
Coordinacion
La Paz, Bolivia

cc: Mr. Pavilla, Mr. Parthasarathi, Mr. Spencer (with copy)
Messrs. R. Jones, Riley, Sassoon, North, Ragling

HNansenburg

DP/SF/310 BOL 15

July 31, 1968

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Cohen:

BOLIVIA: Integrated Transport Survey

I am writing to bring to your attention some recent difficulties regarding the above project. On July 26, the Minister of Planning for Bolivia cabled the Bank as follows (translation):

"National Government definitively states it does not agree with partial recommendations made by cable Walsh DMJM to SENAC director Balderrama re projects 5 and 8 because they are damaging to highway policy my country. I confirm previous communications pointing out that failure to deliver final document will compel us to cancel study contract with DMJM."

On July 29, we received a further cable from the Minister of Planning reading as follows (translation):

"Transport study's conclusions and recommendations will be definitively given by Bolivian officials and technicians and in no way by those in charge of study who seem not to have taken into consideration Bolivia's development policy. Government's attitude does not imply pressure but only warning so that note will be taken that economic policy will be carried forward without considering recommendations which would be contrary to that policy."

While there has been some delay in the submission of the draft final report on this project, the consultants, Daniel Mann, Johnson and Mendenhall (DMJM), recently wrote to the Bank and the Government proposing a revised schedule for the submission of various volumes of the report during July and August. Upon receipt of the Government's cable, we have cabled our reply, a copy of which was sent to you today by Mr. Robert F. Skillings of the Bank's Western Hemisphere Department.

Mr. Cohen

2

July 31, 1968

As our cable indicates, a Bank staff member is presently in Bolivia, and we have asked him to look into the matter. We will keep you informed of any further developments on this matter as they come to our attention.

Sincerely yours,

Vincent J. Riley
Development Services Department

VJRiley:cbh

cc: Mr. Skillings
Mr. Hansen
Mr. Lecuona

ROLANDO PARDO
MINPLANEAMIENTO
LA PAZ
BOLIVIA

gru/fb
JULY 30, 1968

IBF GOVT.

REFERENCE YOUR CABLES JULY 26 AND 29 TO ENGELMANN STOP IN AGREEING
TO BE EXECUTING AGENCY FOR TRANSPORT SURVEY ON BEHALF OF UNITED NATIONS
UNDER PLAN OF OPERATION SIGNED BY BOLIVIAN GOVERNMENT COMMA UNDP COMMA
AND WORLD BANK ON MARCH 10, 1967 COMMA BANK ASSUMED THAT BOLIVIAN GOVERNMENT
WOULD GIVE DUE CONSIDERATION TO FINDINGS OF CONSULTANTS INCLUDING THOSE
AFFECTING NATIONAL TRANSPORT POLICY STOP NATURALLY GOVERNMENT MAY IN SOME
CASES FIND IT NECESSARY TO DECIDE THAT GENERAL CONSIDERATIONS OF NATIONAL
POLICY OVERRIDE ECONOMIC FACTORS STOP HOWEVER COMMA WE HOPE THAT SUCH
DECISIONS WILL NOT BE MADE UNTIL AFTER GOVERNMENT HAS RECEIVED AND STUDIED
FULL CONSULTANTS REPORT SINCE PARTIAL RECOMMENDATIONS DIFFICULT TO EVALUATE STOP
AS ENGELMANN CABLED YOU ON JULY 25 WE FEEL CONSULTANTS SHOULD TAKE TIME NEEDED
FOR HIGH QUALITY REPORT STOP IN THESE CIRCUMSTANCES ONLY EFFECT CANCELLATION
CONTRACT WOULD BE TO RELIEVE BURDEN OF OBLIGATION TO PREPARE FINAL REPORT WHICH
WE THINK VERY UNWISE STOP EVEN IF GOVERNMENT DOES NOT ACCEPT ALL RECOMMENDATIONS

ROLANDO PARDO

JULY 30, 1968

MINPLANRAMIENTO

LA PAZ

BOLIVIA

PAGE TWO

OF REPORT comma WE ARE CONFIDENT THAT REPORT WILL AID IN CONSIDERATION
TRANSPORT PROBLEMS AND ASSIST GOVERNMENT IN DEFINING TRANSPORT POLICY
AND FORMULATING INVESTMENT PROJECTS FOR PRESENTATION TO EXTERNAL FINANCING
AGENCIES stop AFTER RECEIPT AND STUDY DRAFT FINAL REPORT WE PROPOSE SEND
MISSION LAPAZ TO DISCUSS REPORT WITH GOVERNMENT BEFORE CONVEYING OUR
COMMENTS TO CONSULTANTS stop I AM ASKING JOSEPH FAJANS AT PRESENT IN
BOLIVIA IN CONNECTION WITH PROPOSED IDA CREDIT SANTA ISABEL HYDROELECTRIC
PLANT TO CALL ON YOU AND DISCUSS AFOREMENTIONED MATTERS stop AM SENDING
COPY OF THIS CABLE TO UNDP NEW YORK stop KIND REGARDS

SKILLINGS

INTRAFRAD

Robert F. Skillings

Western Hemisphere Department

Cleared with and cc. Messrs. Hansen
Riley ✓

cc. United Nations Development Program
cc. Messrs. Hogg, Fajans o/r, Pavilla o/r
Jones, Lecuona

RFSkillings/HHansen:mdk

ju fib

FAJANS

JULY 30, 1968

GRILLONHOTEL

LA PAZ

IBF GOVT.

BOLIVIA

ONE

ENGELMANN RECEIVED PRIMO CABLE PARDO DATED JULY 26 QUOTE SUPREMO GOBIERNO EXPRESA DEFINITIVAMENTE NO ESTAR DE ACUERDO CON RECOMENDACIONES PARCIALES EVALUADOS POR CABLE WALSH DMJM A DIRECTOR BALDERRAMA SENAC REFERENCIA PROYECTOS 5 Y 8 POR SER PERJUDICIALES POLITICA VIAL MI PAIS. RATIFICO ANTERIORES COMUNICACIONES SENALANDO QUE FALTA ENTREGA DOCUMENTO FINAL OBLIGARA DAR POR CONCLUIDO CONTRATO ESTUDIO CON DMJM UNQUOTE SECONDO CABLE DATED JULY 29 QUOTE LAS RECOMENDACIONES Y CONCLUSIONES DEL ESTUDIO DE TRANSPORTES FORMULARAN EN DEFINITIVA AUTORIDADES Y TECNICOS BOLIVIANOS Y EN NINGUN CASO LOS ENCARGADOS DEL ESTUDIO QUIENES PARECE QUE NO HAN TOMADO EN CUENTA LA POLITICA DEL DESARROLLO DE BOLIVIA. ACTUACION GOBIERNO NO CONSTITUTE PRESION SINO SIMPLEMENTE ADVERTENCIA PARA QUE TOMEN NOTA DE QUE SE LLEVARA ADELANTE SU POLITICA ECONOMICA SIN CONSIDERAR RECOMENDACIONES QUE RESULTEN CONTRARIAS A ESA POLITICA UNQUOTE I REPLIED FOLLOWING TODAY QUOTE REFERENCE YOUR CABLE JULY 26 TO ENGELMANN stop IN AGREEING TO BE EXECUTING AGENCY FOR TRANSPORT SURVEY ON BEHALF OF UNITED NATIONS UNDER

FAJANS

JULY 30, 1968

HOTEL CRILLON

k IDB GOVT.

LAPAZ

BOLIVIA

PAGE TWO

PLAN OF OPERATION SIGNED BY BOLIVIAN GOVERNMENT ~~comes~~ UNDP ~~comes~~ AND BANK
ON MARCH 10, 1967 ~~comes~~ BANK ASSUMED THAT BOLIVIAN GOVERNMENT WOULD GIVE DUE
CONSIDERATION TO FINDINGS OF CONSULTANTS INCLUDING THOSE AFFECTING NATIONAL
TRANSPORT POLICY ~~stop~~ NATURALLY GOVERNMENT MAY IN SOME CASES FIND IT NECESSARY
TO DECIDE THAT GENERAL CONSIDERATIONS OF NATIONAL POLICY OVERRIDE ECONOMIC
FACTORS ~~stop~~ HOWEVER ~~comes~~ WE HOPE THAT SUCH DECISIONS WILL NOT BE MADE UNTIL
AFTER GOVERNMENT HAS RECEIVED AND STUDIED FULL CONSULTANTS REPORT SINCE
PARTIAL RECOMMENDATIONS DIFFICULT TO EVALUATE ~~stop~~ AS ENGELMANN CABLED YOU
ON JULY 25 WE FEEL CONSULTANTS SHOULD TAKE TIME NEEDED FOR HIGH QUALITY REPORT
~~stop~~ IN THESE CIRCUMSTANCES ONLY EFFECT CANCELLATION CONTRACT WOULD BE TO RELIEVE
DRAIN OF OBLIGATION TO PREPARE FINAL REPORT WHICH WE THINK VERY UNWISE ~~stop~~ EVEN
IF GOVERNMENT DOES NOT ACCEPT ALL RECOMMENDATIONS OF REPORT ~~comes~~ WE ARE
CONFIDENT THAT REPORT WILL AID CONSIDERATION TRANSPORT PROBLEMS AND ASSIST
GOVERNMENT IN DEFINING TRANSPORT POLICY AND FORMULATING INVESTMENT PROJECTS FOR
PRESENTATION TO EXTERNAL FINANCING AGENCIES ~~stop~~ I AM ASKING JOSEPH FAJANS AT

PAJAMS

JULY 30, 1968

CRILLONHOTEL

IBF GOVT.

LA PAZ

BOLIVIA

PAGE THREE

PRESENT IN BOLIVIA IN CONNECTION WITH PROPOSED IDA CREDIT SANTA ISABEL
HYDROELECTRIC PLANT TO CALL ON YOU AND DISCUSS AFOREMENTIONED MATTERS
DRAFT
stop AFTER RECEIPT AND STUDY/FINAL REPORT WE PROPOSE SEND MISSION LAPAZ
TO DISCUSS REPORT WITH GOVERNMENT BEFORE CONVEYING OUR COMMENTS TO
CONSULTANTS stop AM SENDING COPY THIS CABLE TO UNITED NATIONS NEW YORK
UNQUOTE PLEASE SEE PARDO AND DISCUSS stop IF ASKED YOU CAN SAY THAT OUT OF
\$890,000 FOREIGN EXCHANGE ALLOCATION, \$800,000 ALREADY DISBURSED AND INVOICES
IN HAND COVERING BALANCE stop NO MORE LOCAL CURRENCY TO PAY stop YOU CAN ALSO
REMINO THAT TRANSMISSION OF REPORT TO THIRD PARTIES EXCEPT BANK AND UN IS
AT DISCRETION OF GOVERNMENT

SKILLINGS

Robert F. Skillings

Cleared with and cc. Mr. Riley

Western Hemisphere Department

cc. Mr. Favilla o/r
RFSkillings:mdk

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP		Date July 30, 1968	
NAME		ROOM NO.	
Mr. Skillings		584	
Mr. R. Jones		722	
Mr. Lecuona		834	
Mr. Riley		841 ✓	
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS			
<p><u>BOLIVIA - Transport Survey</u></p> <p>Attached please find a copy of an incoming letter and cable from the Government and a rough translation.</p>			
From		H. Hansen	

INCOMING CABLE

(Rough translation)

JULY 29, 1968

ENGELMANN INTBAFRAD

LA PAZ

R. Hagg.
h. Jayson.
h. P. Kucinski
Off 7/30.

TRANSPORT STUDY'S CONCLUSIONS AND RECOMMENDATIONS WILL BE DEFINITELY GIVEN
BY BOLIVIAN OFFICIALS AND TECHNICIANS AND IN NO WAY BY THOSE IN CHARGE OF
STUDY WHO SEEM NOT TO HAVE TAKEN INTO CONSIDERATION BOLIVIA'S DEVELOPMENT
POLICY. GOVERNMENT'S ATTITUDE DOES NOT IMPLY PRESSURE BUT ONLY WARNING
SO THAT NOTE WILL BE TAKEN THAT ECONOMIC POLICY WILL BE CARRIED FORWARD
WITHOUT CONSIDERING RECOMMENDATIONS WHICH WOULD BE CONTRARY TO THAT POLICY

ROLANDOPARDO

PLANNING MINISTRY

unofficial
/ TRANSLATION OF INCOMING LETTER

Subject; Bolivia Transport Survey (UNDP)

July 24, 1968

To Mr. Peter Engelmann, World Bank

Sir:

I have received a copy of the letter that you sent the 18th of this month to Mr. Bill Shope, executive of DMJM acknowledging receipt of Volume No. 8 " Pipelines of the Transpor Survey of Bolivia".

In that respect and in relation to the complete draft of that survey I wish to confirm my cable of July 19 to you saying that the manager of the project, Mr. Donald Walsh should come to Bolivia as soon as possible to deliver the above mentioned draft, because my Government did not concede any extension to the dates originally mentioned in the Contract that is May 15 and June 15 for the English and Spanish versions respectively and to those dates offered by the representative of DMJM, General Aberto Pazsodon (1 and 30 of June for both versions). All this was mentioned to Mr. Walsh in my letter of July 28, No. 671-68 of which I have sent you a copy. Also there is no written evidence accepting the dates proposed by Mr. Walsh in his letter of July 27.

I would also like to point out that my Government does not attach any official value to the recommendation of the data and background information that could be in the Transport Survey since we have knowledge that some information is being handed unofficially and is being utilized in a way which is against the interest of Bolivia.

Finally my Government, based on the reports that I have in my hands, has requested the immediate revision of the study, in its whole extension because we consider that it is being done in an irresponsible manner.

Sincerely yours,

Rolando Pardo Rojas
Minister of Coordination and Planning

INCOMING CABLE

DATE AND TIME
OF CABLE:

JULY 29, 1968

1821

LOG NO.:

ITT 9/30

TO:

ENGELMAN INTBAFRAD

FROM:

LA PAZ

TEXT:

ROUTING

ACTION COPY: PROJECTS - TRANSPORTATION

INFORMATION COPY: PROJECTS - 342

DECODED BY: JUL 30 1968

Projects Dept. Correspondence

ANS'D BY -----

DATE -----

LAS RECOMENDACIONES Y CONCLUSIONES DEL ESTUDIO DE TRANSPORTES
FORMULARAN EN DEFINITIVA AUTORIDADES Y TECNICOS BOLIVIANOS Y
EN NINGUN CASO LOS ENCARGADOS DEL ESTUDIO QUIENES PARACE QUE
NO HAN TOMADO EN CUENTA LA POLITICA DEL DESARROLLO DE BOLIVIA.
ACTUACION GOBIERNO NO CONSTITUYE PRESION SINO SIMPLEMENTE
ADVERTENCIA PARA QUE TOMEN NOTA DE QUE SE LLEVARE ADELANTE SU
POLITICA ECONOMICA SIN CONSIDERAR RECOMENDACIONES QUE RESULTEN
CONTRARIAS A ESA POLITICA

ROLANDO PARDO

MINPLANEAMIENTO

MPB

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

ORIGINAL



Presidencia de la República

REGISTERED
MAIL NUMBER

136178

Dirección Nacional de Coordinación y Planeamiento

CABLES "SEDEPLA"
TELEFONO 13192
CAJON POSTAL 3118

DIRECCION: PALACIO DE
GOBIERNO
LA PAZ - BOLIVIA

DNCP. 793-68

Julio 24, de 1968.

JUL 29 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Al señor

Peter Engelmann

Departamento de Proyectos de Transporte

Banco Mundial

1818 H. Street, N.W.

Washington, D.C. 20433 - USA

Señor:

He recibido copia de la nota que usted, en fecha 18 del mes en curso, ha dirigido al señor Bill Shope, ejecutivo de D.M.J.M. acusando recibo del Volumen N° - VIII "Oleoductos" del Estudio Integral de los Transportes en Bolivia.

Sobre el particular, y en lo que se refiere al - borrador del Informe íntegro, deseo ratificar el texto de mi cablegrama de fecha 19 de los corrientes dirigido a usted, en sentido de que el Gerente del Proyecto, señor Donald Walsh, se constituya a la brevedad posible, en Bolivia para entregar dicho borrador, por cuanto mi Gobierno, no ha concedido ninguna postergación a las - fechas originalmente señaladas en el Contrato respectivo (15 de mayo y 15 de junio, versiones en inglés y - castellano, respectivamente) y a las ofrecidas por el Representante de D.M.J.M. , Gral. Alberto Paz Soldán - (1° y 30 de junio para ambas versiones), tal como tuve la oportunidad de señalar en mi nota N°. 671-68 de 28 de junio, dirigida al señor Walsh, una de cuyas copias fué enviada directamente a usted. Asimismo, tampoco - existe una constancia escrita aceptando las fechas propuestas por el señor Walsh en su nota de 27 de junio.

Por otra parte, me cumple puntualizar que mi Gobierno no concede ninguna validez oficial a las recomendaciones, datos y antecedentes que pudiera contener el Estudio Integral de los Transportes, por cuanto se tiene conocimiento que algunas informaciones de carácter extraoficial, se están filtrando y son utilizadas en forma perjudicial a los intereses de Bolivia.



Presidencia de la República

Dirección Nacional de Coordinación y Planeamiento

CABLES "SEDEPLA"
TELEFONO 13192
CAJON POSTAL 3118

DIRECCION: PALACIO DE
GOBIERNO
LA PAZ - BOLIVIA

2.-

Finalmente, mi Gobierno, en base a informes que obran en mi poder, ha solicitado la revisión inmediata del Estudio, en toda su integridad y extensión, por considerar que el mismo se está efectuando en forma irresponsable.

Con este motivo, saludo a usted atentamente.


Rolando Pardo Rojas
MINISTRO DE COORDINACION Y PLANEAMIENTO

GC/Bgm.

Our file

Mr. R. Skillings

July 29, 1968

Harald Hansen

BOLIVIA - Transport Survey

Attached please find a Spanish copy and an English translation of an incoming cable from Minister Pardo.

Copies of the cable are being sent to the members of the Working Party as you may wish to call a meeting to discuss the matter.

HHansen:urg
Attachments

cc: Mr. R. Jones
Mr. Lecuona ✓
Mr. Riley
Mr. Hogg/Mr. Parthasarathi

Mr. Harald
Hansen
Room F-338

Translation of Incoming Cable

Date: July 26, 1968

TO : Engelmann IBERD

FROM: La Paz

National Government definitively states it does not
agree with partial recommendations made by cable Walsh

DMJM to SENAC director Balderrama re projects 5 and 8
because they are damaging to highway policy my country.

I confirm previous communications pointing out that
failure to deliver final document will compel us to cancel
study contract with DMJM

Rolando Pardo

Minister of Planning

TRANSLATION SECTION E-731/68
Translated From: Spanish 7/29/68 By: GA:cg

C
O
P
Y

INCOMING CABLE

JULY 26, 1968

ENGELMANN INTBAFRAD

LA PAZ

SUPREMO GOBIERNO EXPRESA DEFINITIVAMENTE NO ESTAR DE
ACUERDO CON RECOMENDACIONES PARCIALES EVACUADOS POR
CABLE WALSH DMJM TA DIRECTOR BALDERRAMA SENAC REFERENCIA
PROYECTOS 5 y 8 POR SER PERJUDICIALES POLITICA VIAL MI
PAIS. RATIFICO ANTERIORES COMUNICACIONES SENALANDO
QUE FALTA ENTREGA DOCUMENTO FINAL OBLIGARA DAR POR
CONCLUIDO CONTRATO ESTUDIO CON DMJM

ROLANDO PARDO
MINPLANEAMIENTO

qufcl

MINISTER ROLANDO PARDO
MINPLANNAMIN
LA PAZ

JULY 25, 1968

LT

BOLIVIA

REURCAB JULY 19 TRANSPORT SURVEY STOP HAVE EMPHASIZED TO DIRM THAT
INFORMATION OR CONCLUSIONS RELATING TO SURVEY SHOULD NOT BE DISCUSSED
WITH OUTSIDERS EXCEPT UPON GOVERNMENT INSTRUCTIONS STOP WE CONSIDER
IMPORTANT TO GIVE CONSULTANTS AT THIS FINAL STAGE ADEQUATE TIME TO
PREPARE QUALITY REPORT AND RELIEVE PRESSURE TO EXPEDITE REPORT
SUBMISSION SCHEDULE INDICATED DIRM LETTER JUNE 27 MIGHT IMPAIR QUALITY
OF REPORT AND ITS USEFULNESS TO GOVERNMENT STOP CONSEQUENTLY CONSIDER
INOPPORTUNE WALSH VISIT TO BOLIVIA WITH ANY VOLUME OF REPORT AT THIS
STAGE

BRUCEMAN
INTSAPRAD

Peter Engelmann
Section
Chief, Projects

Cleared with and cc: Mr. Fajans,
Mr. Hogg/Mr. Parthasarathi
cc: Messrs. Skillings, R. Jones, Riley,
Saxton, Elsie, North,
Ingling

outfit

July 25, 1968

Mr. E. Felix Schwarz
Casilla 726
La Paz
Bolivia

Reference is made to your letter of June 26, 1968 inquiring about the possibility of cooperating directly with the United Nations in assisting the Bolivian Railroad, and also to your letter of July 8, 1968 to Mr. Skillings.

As you know, your services through January 1969 are presently provided through the contract between the Government of Bolivia and Daniel, Mann, Johnson and Mendenhall. We would, therefore, suggest that you explore informally with the Government and DMJM the question of changing the contractual arrangement. If both agree, the arrangement should then be formally approved by the Government, DMJM and the Bank. If all parties agreed, your services might then be continued through a direct contract with the Government. Since the Bank in this instance is acting as the Executing Agency for the United Nations Development Programme, there would be no question of your being employed by the United Nations.

should have been requested.

2nd Bm

The Government of Bolivia has, as you know, applied to the UNDP for additional assistance for the Railroad. It is hoped that this request will be considered by the Governing Council of the UNDP in January 1969. However, until it has been decided whether the request will actually be considered at that time and who the Executing Agency would be, we cannot advise you on the possible extension of your services for another year and the specific contractual arrangements.

We have made arrangements with Mr. van Wageningen to send you a copy of correspondence with Mr. Murillo concerning the railroad fellowships.

Sincerely yours,

HHansen:urg
IBRD

Peter Engelmann
Chief, Technical Assistance Section
Projects Department - Transportation

Cleared with and cc:
Messrs. Fajans, Geli, Riley,

Messrs. R. Jones, Hagling, Sassoon

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

July 24, 1968

NAME

ROOM NO.

Mr. Skillings

584

Mr. Geli

204

Mr. Riley ✓

841

Mr. Sassoon

811

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

BOLIVIA - Transport Survey

May I please have your comments on
the attached draft letter.

From

H. Hansen (X2665)

our file
DRAFT
HHansen:surg
July 24, 1968

Mr. E. Felix Schwarz
Casilla 726
La Paz, Bolivia

Reference is made to your letter of June 26, 1968 inquiring about the possibility of cooperating directly with the United Nations in assisting the Bolivian Railroad, and also to your letter of July 8, 1968 to Mr. Skillings.

As you know, your services through January 1969 are presently provided through the contract between the Government of Bolivia and Daniel, Mann, Johnson and Mendenhall. Any change in the present arrangement would, therefore, have to be approved by the Government, DMJM, and the Bank, and it should in case be initiated by a formal request from the Government to DMJM and the Bank. *Check internally first* If all parties agreed to such a change, your services might then be continued through a direct contract with either the Government or the Bank. Since the Bank in this instance is acting as the Executing Agency for the United Nations Development Programme, there would be no question of your being employed by the United Nations.

The Government of Bolivia has, as you know, applied to the UNDP for additional assistance for the Railroad. It is hoped that this request will be considered by the Governing Council of the UNDP in January 1969. However, until it has been decided whether the request will actually be considered at that time and who the Executing Agency would be, we cannot advise you on the possible extension of your services for another year.

We have made arrangements with Mr. van Wagenen that he will send you a copy of all correspondence with Mr. Murillo concerning the railroad fellowships.

Sincerely yours,

cc: Sr. Ministro Rolando Pardo Rojas
Direccion Nacional de Coordinacion y Planeamiento
Cajon Postal 3116, La Paz, Bolivia
To be Cleared with and cc: Messrs. Skillings, Geli, Riley, Sassoon
cc: Mr. R. Jones, Mr. Regling

C O P Y

H. Liby

over file

JULY 19, 1968

ENGELMANN

LA PAZ

English Translation:

WORRIED DELAYED REMITTANCE DRAFT TRANSPORT STUDY. BEEN INFORMED THAT
DONALD WALSH HAS BEEN GIVING INFORMATION DAMAGING TO BOLIVIAN INTERESTS.
WOULD APPRECIATE YOUR COOPERATION SO THAT WALSH TRAVELS TO BOLIVIA TO
DELIVER DRAFT AS SOON AS POSSIBLE.

a
c
o
p
y

INCOMING CABLE

JULY 19, 1968

ENGELMANN

LA PAZ

PREOCUPA RETARDO REMISION BORRADOR ESTUDIO TRANSPORTES. INFORMASENOS
QUE DONALD WALSH HALLASE PROPORCIONANDO INFORMACIONES FORMA PERJUDICIAL
INTERESES BOLIVIA. ROGAMOSLE COOPERAR GOBIERNO OBJETO WALSH CONSTITUYASE
BOLIVIA ENTREGAR BORRADOR BREVEDAD POSIBLE

ROLANDO PARDO MINPLANEAMIN

ANS'D BY _____

JUL 1 1968

DATE _____

DMJM

BOL
15
9

DANIEL, MANN, JOHNSON, & MENDENHALL

(English Translation of Spanish Original)

27 June 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

His Excellency Rolando Pardo Rojas
Ministro de Coordinación y Planeamiento
Presidencia de la República
Secretaria Nacional de Planificación y Coordinación
La Paz, Bolivia

Your Excellency:

We wish to advise you that unfortunately there will be some additional delay in sending our Draft Final Reports on the Bolivia Transport Survey to you. This delay has been caused primarily because of difficulties encountered in developing traffic projections and in the economic analysis of the various projects being considered. Our staff, however, is making an intensive effort to resolve these problems as rapidly as they can.

These delays in project analysis have in turn resulted in delays in the final assembly of the various reports, particularly the highway and railroad volumes. Based upon our progress to date, we are forced to revise our anticipated submission schedule to the following:

<u>Volume</u>	<u>Title</u>	<u>English Drafts Complete</u>	<u>Spanish Drafts Complete</u>
I	Summary & Conclusions	August 30th	September 30th
II	Economics	August 15th	September 30th
III	Traffic	August 10th	September 30th
IV	Highways	August 10th	September 1st
V	Railroads	August 10th	September 1st
VI	Ports and Waterways	July 22nd	August 22nd
VII	Air Transport	July 15th	August 15th
VIII	Pipelines	July 3rd	August 1st

His Excellency Rolando Pardo Rojas
Ministro de Coordinación y Planeamiento
La Paz, Bolivia

27 June 1968
Page 2

The above dates are believed to be quite realistic, however every effort will be made to complete the various reports prior to the times indicated if at all possible.

Yours very truly,



Donald A. Walsh
Project Manager

DAW/dm

cc: World Bank ✓
Alan M. Voorhees & Associates, Inc.
Stanford Research Institute
Gen. Paz Soldan

DMJM

ROUTING SLIP

Date

July 10, 1968

NAME

ROOM NO.

Mr. Skillings

584

Mr. R. Jones

722

Mr. Riley

841

Mr. Sassoon

811

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

XX Information

Signature

Initial

Send On

REMARKS

BOLIVIA - Transport Survey

The attached letter was written before the Government received DMJM's letter of ne 27, 1968 outlining when the various volumes would be received.

overfile

From *HY* H. Hansen

JUL 8 1968

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

671-68

Class 5 coins 840

Handwritten: 7/8

La Paz, Junio 28 de 1968.

Al señor

Donald A. Walsh
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard

Los Angeles - California 90005 USA

Señor Walsh:

El mes de abril fui informado por el Gral. Paz Soldan que el borrador de informe final, en sus versiones en inglés y español serían demoradas en su envío al Gobierno de Bolivia hasta el 1° y 30 de Junio respectivamente.

Como este nuevo plazo ya ha sido vencido, le insinuo enviar con la mayor urgencia los borradores del informe final en sus versiones en inglés y español, así como una explicación de las razones de la demora.

Con este motivo, reitero a usted las seguridades de mi distinguida consideración.

Rolando Pardo Rojas
MINISTRO DE COORDINACION Y PLANTAMIENTO

cc. Sr. Peter Engelman
Projects Department-Transportation
1818 H. Street, NW, Washington, D.C. 20433 USA

M. Riley
our file

June 20, 1968

Mr. Bill Shope
Vice President and Manager
International Operations
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Re: BOLIVIA - Transport Survey

Dear Mr. Shope:

We understand from recent telephone conversations with yourself and Mr. Walsh that you are now completing three volumes of the Draft Final Report and that the work is progressing on the remaining volumes.

According to your Contract, the English version of the Draft Final Report should have been submitted on May 15 and the Spanish version on June 15, 1968. Since the Contract is with the Government of Bolivia we would suggest that you write the Government with copy to the Bank giving the reasons for the delay and stating when you expect to submit the various volumes.

Sincerely yours,

Peter Engelmann
Chief, Technical Assistance Section
Projects Department - Transportation

cc: Sr. Ministro Rolando Parde Rojas
Direccion Nacional de Coordinacion y Planeamiento
Cajon Postal 3116
La Paz, Bolivia

Cleared with and cc: Messrs. Pavilla, Sassoon, Parthasarathi
cc: Messrs. R. Jones, Riley, North, Regling.

HHansen:vbr
IBRD

ROLANDO PARDO

SEDEPLA

LA PAZ

BOLIVIA

on file
BOL 15
JUNE 19, 1968

IBF GOVT.

REFERENCIA ESTUDIO INTEGRAL DE TRANSPORTES NECESITAMOS
RECIBIR CON SUMA URGENCIA FACTURAS DEBIDAMENTE APROBADAS POR USTED DESDE
ENERO A ABRIL 1968 PARA PODER AJUSTAR PAGOS RESPECTIVOS A DMJM.

FAVILLA

INDEVAS

TRANSLATION

RE INTEGRATED TRANSPORT SURVEY IMPERATIVE/^{WE}RECEIVE PROMPTLY
INVOICES FOR JANUARY THROUGH APRIL 1968 PROPERLY APPROVED BY YOU IN ORDER
TO ADJUST PAYMENTS TO DMJM.

Alberto J. Favilla
Western Hemisphere Department

cc. Messrs. Beany
Riley ✓
Sassoon
Hansen

AJFavilla:mdk

am file

June 6, 1968

Bolivia 15

Ing. Armando Murillo Casas
General Manager a.i.
Empresa Nacional de Ferrocarriles
Casilla No. 428
La Paz
Bolivia

Dear Mr. Murillo:

Ref: Your Letter API 226/7 - 5

This is to acknowledge with many thanks your letter of May 20 and its attachments - a copy of Ing. Rios' Back-to-Office report about his visit to ENFH in Los Angeles, California, and a copy of Ferrobol's comments on the conclusions and recommendations contained in the draft report prepared by ENFH dealing with railroads.

I would like to indicate to you that as of this time we have not seen any copies of the draft report prepared by the consultants dealing with railroads. You may be assured that we will keep in mind Ferrobol's and Ing. Rios' comments when we review the report on the Integrated Transport Survey.

With kind personal regards,

Sincerely yours,

Alberto J. Favilla
Western Hemisphere Department

Note: Ferrobol is the cable address for Empresa Nacional de Ferrocarriles.

Cleared with Mr. Skillings
cc. Messrs. Engelmann/Hansen

Regling
Riley
Sassoon
B. Jones

AJFavilla:mdk

one file

Files

May 28, 1968

Harald Hansen

BOLIVIA - Transport Survey
Use of Fellowship Funds

By the end of March the Bank received the applications for five of the fellowship candidates. These applications were at the time sent to Mr. van Wagenen, but I understand that no action has been taken pending clarification of the internal procedures for the handling of fellowships.

Mr. Rios Castro, one of the proposed fellowship candidates, recently visited the Bank at the end of his stay with Daniel, Mann, Johnson & Mendenhall in California. I briefly discussed with him the points raised in Mr. Regling's memo of April 3, 1968. Mr. Rios Castro indicated that he was primarily interested in transport coordination and economics, such as the courses given at Catholic University here in Washington, and that he was not interested in practical training with railroad companies. According to Mr. Rios Castro, his study program as supported by Minister of Public Works where Mr. Rios Castro may be working in the future on transport problems.

HHansen:urg
IBRD

cc: Mr. Favilla
Mr. Regling
Mr. Riley ✓
Mr. Sassoon
Mr. van Wagenen

our file

May 28, 1968

General Sigfredo Montero Velasco
President
Empresa Nacional de Ferrocarriles
Casilla No. 428
La Paz, Bolivia

Dear General Montero:

Ref: Your letter AP 224/7-5

Thank you very much for your letter of May 14 enclosing a copy of Ing. Rios' back-to-office report about his visit to INM in Los Angeles, California. You may be assured that we will bear in mind Ing. Rios' observations when we review the report on the Integrated Transport Survey.

I would like, however, to comment on one of Ing. Rios' remarks, referring to the insufficient contact between the Bank and the consultants (INM). Although it might have been desirable to have a full-time Bank staff member coordinating and supervising the transport survey, the limited availability of Bank staff for this type of work would have not permitted us to do so. This is the reason why the Bank retains independent consultants to undertake studies such as the transport survey of Bolivia.

We have had several visits to Bolivia in the last year to review the progress of the survey, and only last week two transport economists of our Projects Department discussed the progress with the consultants in California. We, therefore, feel that we have adequate knowledge of the consultants' work. We will also review carefully the conclusions of the study, bearing in mind Ing. Rios' comments and those which you passed on personally to Mr. Favilla and me in La Paz.

With best personal regards,

Sincerely yours,

Robert F. Skillings
Western Hemisphere Department

Cleared with and cc: Messrs. Engelmann/Hansen (with incoming)
cc: Messrs. Baum (with incoming), Regling (with incoming), Riley, Sassoon,
B. Jones

AJFavilla:jd

Mr. Bernard Chadenet

May 27, 1968

Vincent J. Riley

Fellowships in UNDP Projects

Attached are the applications of fellowship candidates on the UNDP projects currently being executed by the Bank (Transportation Division). These are:

Brazil Transport Study (seven nominees)

Rene Fernandes Schoppa
Ernani Masza Wettornick
Luis Carlos Xavier Assumpcao
Affonso Cardoso Palmeiro
Cesare Giorgi
Klan de Oliveira Magalhães
Magali Santos Dias Martins

Bolivia Transport Study (five nominees)

Oscar Rios Castro
Jorge Mirabal Molina
Eulogio del Bario
Jose de la Cruz Zenteno
Jose Ugarte Delgadillo

In addition, copies of the applications for three other fellowships under the Brazil Transport Study are also attached. One of these, however, Mr. Van Wagonen of the Administration Department has already completed the arrangements. These three are:

Haroldo da Rosa Martins
Asceline Lopes de Moraes
Newton Tornaghi

Mr. Moraes has already completed his training under the fellowship program, or nearly so. Arrangements for Mr. da Rosa Martins were completed, but he withdrew from the program for personal reasons. Admiral Tornaghi will be attending the advanced management course at Harvard in the spring of 1969, and arrangements for this are essentially completed.

Except for the last three cases mentioned, no work has been done on arranging the placement of the other twelve candidates. They have been seen variously by Mr. Baum and his colleagues, Mr. Van Wagonen and myself. These are the pending cases about which Mr. Demuth spoke to you on Friday following the Loan Committee meeting, and in light of those discussions, I am forwarding these nominations to you for appropriate disposition.

May 27, 1968

There is one other case in which fellowships have reportedly been selected; viz., the Pakistan Telecommunications Study. I have been in contact with Mr. Hittmair and Mr. Vasudevan within the last fortnight regarding these fellowships, and I believe that the forthcoming mission to Pakistan in connection with this project is going to look into the matter.

If this office can be of any further assistance, please let us know.

Enclosures

cc: Mr. Van Wagenen
Mr. Engelmann
Mr. Hittmair
Mr. J. King

VJRiley:cbh

Mr. Riley
confil
BOL 15

Mr. Vincent W. Hogg and Mr. John D. North

May 16, 1968

Peter Engelmann

BOLIVIA - Transport Survey

The attached letter from Mr. Bridgeman was sent to me after a telephone conversation last week on the status of the Bolivia Transport Survey. The enclosures to the letter include copies of DMJM's letter of May 3 and SRI's reply of May 7, together with copy of Mr. A. K. Begg's memorandum of the same date on "Data Problems on the Bolivia Transport Study."

The enclosures to Mr. Bridgeman's letter indicate that the study is not progressing satisfactorily; in fact, SRI fears that they cannot produce an investment program based on economic priorities, in accordance with the Terms of Reference, using the traffic data being provided by Alan M. Voorhees & Associates. They also have serious reservations about the quality of some of the cost data.

The Project Manager, Mr. Donald Walsh is now in Washington for discussions with Alan M. Voorhees and I expect to hear from him before he departs for Menlo Park, California early next week. I do not expect, however, that Mr. Walsh will readily admit the shortcomings of the study, particularly in the economic part.

While we should not in any way relieve DMJM from their responsibility to coordinate the work of their sub-contractors and to produce an acceptable report, I believe it would be highly desirable if Transportation Division staff could review the economic problems that have arisen at this time. An opportunity for such review with all parties concerned will be a meeting to be held in Menlo Park throughout the week of May 20.

I would suggest that Mr. Parthasarathi, who will be returning from Malaysia during that week, stop over in Menlo Park and that he attend the meetings for one or two days as an observer. I would also suggest that he be joined by another member of the Transportation Division, Mr. North or Mr. Jaycox.

cc: Messrs. Geolot
Riley ✓
Sassoon
Skillings/Favilla

PEngelmann:vbr
Attachments



STANFORD RESEARCH INSTITUTE

MENLO PARK, CALIFORNIA 94025

May 8, 1968

*ENCLOSURE
5/10 made 5/19*

Mr. Peter Engelman
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear Mr. Engelman:

Enclosed are one copy each of Mr. Shope's letter proposing a cut-off of "further analytical effort," our response to Mr. Shope, and a memorandum to Mr. Shope describing some of our data problems.

I left a message with your secretary yesterday, indicating that Mr. Rafloski and I would like to participate in any meetings that are held with AMVA in order to assist in resolving the data problems. We could be in Washington with a one day notice.

Sincerely yours,

Harry M. Bridgeman

HMB/ep

Enclosures

Projects Dept. Correspondence

ANS'D BY gleane

DATE 5/16/68

MAY 10 1968

DMJM

DANIEL, MANN, JOHNSON, & MENDENHALL

BILL SHOPE
VICE PRESIDENT

3 May, 1968

PRESIDENT
IRVAN F. MENDENHALL, C.E.
EXECUTIVE VICE PRESIDENTS
PHILLIP J. DANIEL, A.I.A.
ARTHUR E. MANN, A.I.A.
S. KENNETH JOHNSON, A.I.A.
STANLEY A. MOE, A.I.A.
T. K. KUTAY, A.I.A.

^M
Mr. Harry F. Bridgeman
Stanford Research Institute
Menlo Park, California 94025

MAY 10 1968
Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Dear Mr. Bridgeman:

As you are aware we have now considerably exceeded our schedule for completing the Bolivian Transport Survey and both of our clients, that is the Bank and the Bolivian government, have indicated that we must finish this job up as quickly as possible so that they can have the benefit of our findings for planning work in Bolivia.

It is an obvious fact there is an infinite number of alternates to consider in this study and that sooner or later we must establish a cut-off point at which we consider no more alternate solutions, but terminate the project with what we have considered up to a certain point. In view of the over-run in cost which we are all now incurring it is apparent that this cut-off point has been reached.

We ask, therefore, that you consider receipt of this letter as the cut-off date for any further analytical studies and that we assemble the text and exhibits for the final report English draft which we have promised the Bolivians will be mailed to them by June 15.

In order to expedite this procedure I am asking the Project Manager, Don Walsh to go first to the offices of AMVA to make a final review of the traffic text and report exhibits to check them and verify contract compliance. The text and exhibits should be in practically final form at that time in order that we can meet the June 15 deadline. Upon completion of the review in McLean, Mr. Walsh will then proceed to Menlo Park to review the final text of the Economics report and to coordinate the development of the final recommended transport investment program and recommendations that will be presented to the Bolivian government. Mr. Walsh will probably arrive in Menlo

Mr. Harry F. Bridgeman

-2-

3 May, 1968

Park on Tuesday or Wednesday, May 21st or 22nd and the balance of the week would be spent in consolidating the program and making a final check of contract compliance. His assistant Mr. Benscheidt will precede him by two or three days to Menlo Park to review the Economics report for conformity with the method of presentation which has been established and to make sure that exhibits, tables etc., are standardized with the rest of the volumes. He plans to be in Menlo Park on Monday, May 20th and will spend the week there if necessary to finalize the different volumes. Upon leaving Menlo Park the report will be in essentially the form in which it will be presented to the Bolivian government. No further reviews, additions or deletions between the time of their arrival back in Los Angeles on the 27th and the 15th of June can be permitted, except in extreme circumstances of obvious errors etc.

Your cooperation is urgently requested in this matter. By concentrated effort on the part of all project staff I believe we can produce the first draft of a creditable report near the end of this month.

If you have any questions relative to the content of this letter, please give us a call, otherwise we are assuming that all three firms will proceed as outlined in order to finish a final English draft on this project by June 15.

Very truly yours,

DANIEL, MANN, JOHNSON & MENDENHALL



Bill Shope
Vice President and Manager
International Operations

BS/jae

DMJM



STANFORD RESEARCH INSTITUTE

MENLO PARK, CALIFORNIA 94025

May 7, 1968

Mr. Bill Shope, Vice President,
Daniel, Mann, Johnson and Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

Dear Mr. Shope:

We have received your letter of May 3 in which you establish May 6, the date of receipt of that letter, as the cut-off point for "further analytical studies" with respect to the Bolivia Transport Study. While from a cost standpoint we would be pleased to comply with your request, we must advise you that your proposed cut-off date will not permit us to complete the analyses assigned to us by DMJM. This follows from the fact that we have not received the necessary input data from AMVA and DMJM to complete the analyses required for meeting the objectives of the overall research program.

I wish to call your attention to Section III A of Appendix A to our subcontract with you on this Project which provides that ".....the Subcontractor shall be solely responsible for the analysis and interpretation of all data received and for its conclusions and recommendations." In the light of this requirement the attached memorandum has been prepared to acquaint you with the problems of inadequate, incomplete, and inconsistent data we have been receiving from AMVA and DMJM which preclude our fulfilling our contractual obligations to assist DMJM in attaining the objectives of the Project. One of the principal objectives of the Project is the development of a "program of transport investments for 1968-1977, based on economic priorities of specific projects for the transport system." In our opinion it will not be possible, using the data submitted thus far to SRI, to propose a transport program that is responsive to the contract and which meets the needs of Bolivia. Further, we sincerely doubt that a proposed program based on inadequate, incomplete and inconsistent data will be acceptable to the World Bank.

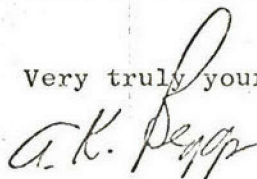
However, I solicit your replies as to what you want us to do with respect to the points raised in the attached memorandum. If you find that you are unable to respond or that you insist upon the program

Mr. Bill Shope, Vice President,
Daniel, Mann, Johnson and Mendenhall

-2-
May 7, 1968

set forth in your letter of May 3, 1968, we propose that our sub-
contract be amended to relieve us of any responsibility for drawing
conclusions and recommendations from data submitted to SRI by AMVA
and DMJM.

Very truly yours,



A. K. Beggs
Executive Director
Economics Research

AKB/ep

cc: Mr. Irvan F. Mendenhall

To: Mr. Bill Shope

May 7, 1968

From: A. K. Beggs

Subject: DATA PROBLEMS ON THE BOLIVIA TRANSPORT STUDY

SRI has been given the responsibility for performing benefit/cost analyses for the various projects under consideration in each of the transport modes. The results of these analyses are to be used to establish which projects are to be included in the Ten Year Program and their priorities. Among the required inputs to these analyses are present and projected traffic by mode, to come from AMVA, and construction, rehabilitation and maintenance costs by mode, to come from DMJM. Obviously, the results of the analyses are sensitive to the quality of the input data. And, the degree to which conclusions can be supported and defended depend also upon the input data.

At this late date we continue to be delayed by the failure of AMVA to deliver traffic data as scheduled and by the necessity to reconcile other data that are provided to us by DMJM. In order to clarify the problems to you a rather lengthy description follows. An early resolution of these difficulties is essential if we are to fulfill our obligations.

A major problem lies with the traffic analyses being conducted by AMVA. We are still uncertain as to the actual methodology being used by AMVA, and it has been only in the past week that we have been able to examine their projections for the rail and highway systems together. The data received do not conform to the study needs nor to joint agreements that had been reached earlier with respect to content and format. Worse, though, is the apparent unilateral adoption by AMVA of assumptions with respect to transport modes which preclude the use of an iterative process to judge the relative merit of alternative projects. Among specifics of concern are the following:

A. General

1. Contrary to our earlier understanding of the AMVA technique, a computer model has not been developed, and it is not possible with the data provided to test the system by mode or by project nor to allocate cargo by project or by route in order to analyze subsystem costs and benefits in studying economic feasibility.

The fixed networks developed by AMVA for highway and rail involve an implicit assumption that certain funds have already been invested. In effect this establishes particular networks for rail and for highway before any analyses have been conducted to establish the feasibility of the various projects in the systems or of any of the systems as a whole. With these inflexible networks there is no way to determine the volume of generated or diverted traffic nor to evaluate the effects on traffic if specific network segments are constructed or improved. In other words it is not possible to test projects for economic feasibility nor to determine priorities as required by DMJM's contract. With this in mind, do you want us to use the projections provided by AMVA?

To: Mr. Bill Shope
From: A. K. Beggs

-2-
May 7, 1968

2. Early in the project AMVA had developed a zone map for the purpose of showing the movement of goods between areas in the country. The country was divided into 45 main zones and 132 subzones. A zone consisted of a more or less independent economic area centered on a departmental or provincial capital, and the subzones were the capital itself (the "zonal centroid") and the areas of the hinterland associated with the capital by geography, population, lines of communication, etc. The subzones were so demarcated that all were approximately equal in terms of population and volume of production.

In accordance with contract requirements a system of commodity groups was devised for classification of product movement. All products were classified into categories on the basis of origin: crop; livestock; forest; mineral; petroleum (including chemicals and plastics); and miscellaneous. These groups were further broken down into the three categories of raw materials and unprocessed, semi-processed, and processed and manufactured commodities. It was on the basis of this classification that the SRI team supplied its projections of production and consumption by area to the AMVA team. The data for all economic sectors were presented either in terms of the zone system or at a sufficiently detailed level as to permit AMVA to assign quantities to specific sub-zones. With respect to manufacturing projections, AMVA was informed that a relatively small quantity of manufactured goods (including some semi-processed agricultural products) moves between department capitals and that this accounts for virtually all movement of manufactured goods.

We are now informed by AMVA that the zone map will not be used to show movements of production and that movements will not be broken by commodity groups. This means that we have no way to allocate cargo by mode or project. Further, failure to use the zone map will require substantial changes in the manner in which economic sector data are presented. In view of contract requirements do you want us, nevertheless, to proceed without the zone map movements and without commodity breakdowns?

SRI had requested as a minimum that desire lines by major origin and destination points be provided as a basis for allocating traffic between modes, but apparently AMVA either cannot or will not provide the information.

Is this satisfactory to you? If so, how would you propose that we proceed to develop a transport program?

3. It has been understood throughout all of our discussions and meetings that the networks to be projected would be flexible and that changes between modes could be made as tentative investment decisions were reached. Further it has been agreed throughout that an iterative process would be used in developing the transport program. In fact, at the April 1 meeting at SRI, plans had been made to begin the iterative process about May 10, a date that is now clearly out of the question.

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

If it your wish that we proceed without using the iterative method described in the proposal and instead for purposes of analysis adopt the AMVA networks that permit no changes between modes?

Are you aware that the only projections received from AMVA are for rail and highway? Without projections for all modes, an integrated system can hardly be considered.

B. Railroad Traffic Estimates

On April 25 railway networks #1 and #2 were received, with railway traffic projections. These networks do not, however, show changes in traffic that would occur with abandonment or rehabilitation or with the construction of the proposed Transcontinental Link. AMVA indicated by telcon April 26 that other networks would be made available at a later date that would show abandonment cases and the Transcontinental Link.

Some specific problems related to these network projections are as follows:

1. An iterative examination of alternative projects is impossible with networks that are based on fixed volumes of projected traffic, using the assumption that the highway system will be the dominant transport mode.

2. Network #1, which shows projected rail traffic, assuming a "minimum highway program," has traffic for all major lines through 1977. Apparently the assumption is implicit for this network either that the railway system can continue with no rehabilitation and equipment modernization or that there has been an expenditure of between \$11,000,000 (the minimum rehabilitation program) and \$63,000,000 (maximum rehabilitation program plus equipment modernization). With this network it is not possible to compute benefits because there is no "without investment" system. Further, we cannot determine the case for abandonment because we do not know at what point in time segments or entire lines will fail because of lack of investment for rehabilitation.

and #2

3. Railway networks #1/(network #2 represents the situation with greater highway improvement) are projected on the assumption that the highways will be more competitive than rail for cargo and thus receive a greater share. This assumption may be correct, but its validity cannot be tested since the networks do not permit cargo allocation between modes. Viable rail projects may thus be made to appear marginal or negative because of a unilateral decision to portray a fixed, highway-dominated system.

4. The Bolivian Government has indicated that it intends to give preferential treatment to the Port of Arica. Based on this, the assumption was unilaterally made by AMVA that 65 percent of rail cargo would go by way of Arica. Bolivian counterparts have recently expressed concern about this assumption because the Chilean section has a cogwheel operation that limits capacity and requires shifting of cargo between trains. To date, AMVA has not received confirmation that the line can efficiently handle the increased tonnage; yet, both networks reflect this allocation in tonnages.

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

5. DMJM engineers estimated that there would be a cost reduction of 21 percent per passenger kilometer and 12 percent per ton kilometer for increased utilization of rolling stock if the Transcontinental Link were constructed. This reduction was based on an assumed average rate of growth for rail traffic of 14 percent for passenger-kilometers and 15 percent for ton-kilometers. However, AMVA's projected rate of growth for cargo is approximately 4 percent, which amounts to penalizing the railroads without establishing a rationale.

What would you propose that we do with respect to these problems? They obviously preclude our conducting analyses that will establish project priorities as required by the contract.

There are two further examples of our "typical problems":

1. AMVA's rail Networks #1 and #2 contain no projections for passengers, yet much of the current investment and future benefits would be associated with passenger traffic.

2. AMVA shows 140,000 tons of mineral cargo moving by rail from Oruro to Machacamarca annually. This amount is approximately 10 percent of the western rail system's cargo for 1966, yet we are unable to establish any basis for the movement. The amount concerned is particularly significant because the movement terminates at Machacamarca for no apparent reason and there is no outward flow. We are unaware of any industrial or other activity that could account for the "loss" of this much cargo, and AMVA is unable to provide any explanation. Since these movements are the basis for decisions on projects, it is important that they be accurate and that a major and apparent inconsistency such as this be corrected or explained.

Do you feel we should proceed in spite of these inadequacies and inconsistencies?

C. Highway Traffic Estimates

We have traffic forecasts for minimum (#1) and maximum (#2) fixed highway networks. The "minimum highway network" involves an assumption that about \$75 million has already been invested. This, of course, does not include construction that is already under way and projects for which funds have been already allocated. The "maximum" network assumes an investment program in the neighborhood of US\$ 400 million. Traffic data for these networks consist of total ADT's for road segments of about 40 km in length.

SRI computations indicate that some of the projects included in the fixed networks would have poor rates of return and would probably not be constructed within the time frame under consideration. Fixed networks of this sort are not responsive to contractual requirements.

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

For the analysis of each project three types of traffic forecasts are necessary: normal, generated, and diverted. Normal traffic would be obtained from a basic network if one had been provided. Generated traffic was to have been derived by AMVA from the forecasts given by the economists on production resulting from, for instance, the opening up of new agricultural areas. Diverted traffic should have been based on the traffic forecasts for the basic network. Because no basic network exists, we have only the ADT's for networks 1 and 2.

After preliminary analysis on the highway network that was assumed by AMVA to constitute the minimum requirements for Bolivia, the proposed Epizana-Sucre and Sucre-Potosí highways did not seem to be economically justifiable for the next 10 years. This demonstrates that we cannot use network 1 as a basis for determining traffic patterns when analyzing other projects. Therefore, we cannot use the AMVA projections for project evaluation. All that can be done with the available information is take the given traffic projections as being either normal or generated (depending on the case) and calculate the benefits to the economy on that basis. In some instances this method may be valid, in others it will not be valid, and it represents a monumental effort even to accomplish this much. Please advise whom you feel should undertake this task and when it would be completed.

Below are presented some specific examples of the problems with which we are faced because of the manner in which the traffic data are presented:

1. For the following highway projects:

H-22	Oruro-Sucre
H-23	Sucre-Epizana
H-24	Potosí-Sucre
H-25	Oruro-Potosí
H-26	Potosí-Tarija

(See attached diagram for the location of these highways.)

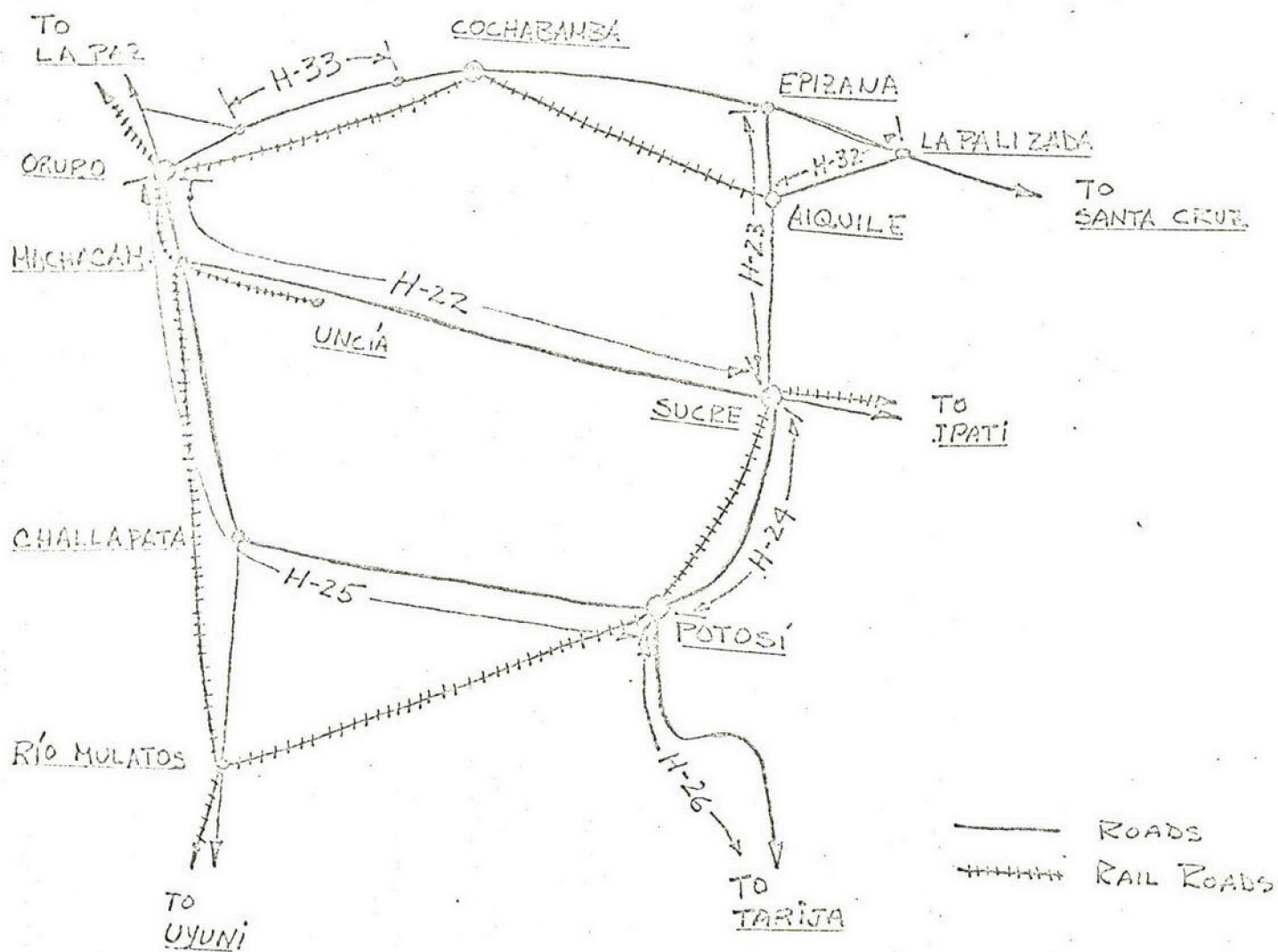
It is necessary to select from among the alternatives, that subsystem which best serves the transport needs of the area. This particular set of projects is difficult to analyze because of the interdependencies that exist among the alternatives.

We have the following data:

a. Total ADT's for three main configurations projected to 1987.

1. From network #1 which assumes that H-23, H-24, H-26, H-32 and H-33 have been "improved to full adequacy."

2. From network #2 which assumes that in addition to the roads improved in network #1, H-25 is also improved.



LOCATION OF HIGHWAY PROJECTS

H-22	ORURO - SUCRE
H-23	EPIZANA - SUCRE
H-24	POTOSI - SUCRE
H-25	ORURO - POTOSI
H-26	POTOSI - TARIJA

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

3. From network #2b which assumes that H-22 is improved rather than H-25.
- b. The composition of the traffic by category of vehicle (i.e., light vehicles, small trucks, and large trucks).
- c. Construction cost estimates for these projects except for project H-26.
- d. A rough description of the present condition of the roads.
- e. A projection of volume (in tons per year) carried by the railroads for two configurations.
 1. Assuming that highway network #1 will exist.
 2. Assuming that highway network #2 will exist.
- f. Operating costs for the rail lines from 1961 to 1966. From these figures and the traffic forecasts we can make gross approximations of ton-km in the future, with and without rehabilitation.
- g. The cost of rehabilitation for the different lines and the salvage value for the lines that are being considered for abandonment.

With all of the assumptions that are involved, the reliability of any calculation could be questioned. Moreover, the inflexibility of the traffic forecasts both for the highways and the railroads and the lack of complete information on railroad system costs do not permit us to make an adequate analysis of the alternative sub-systems in this particular set of projects. We can't even analyze satisfactorily the simplest alternative that seems to be feasible, i.e., the improvement of highway H-25, because we do not know (a) the normal traffic on that road, (b) the diverted traffic from railroad and other routes, and (c) if any traffic will be generated with any improved transport mode. None of this essential information can be derived from the data received to date.

The analysis of the other alternatives is more complex and requires even more information than for H-25.

Do you have any thoughts on how we can complete such analyses?

2. The Alto Beni System

This is a large penetration road system which also provides an international connection. The estimated cost of an "adequate" highway system to serve the area is about US\$ 150 million, yet AMVA's traffic projections assume that the entire system is in operation at the present time. Preliminary analysis shows that the entire system may not be feasible within the next 15 years. However, there are several smaller alternatives which may be feasible that must be analyzed.

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

Following our review and at our request, AMVA sent a description of a methodology that we might use to determine the traffic for smaller alternatives. AMVA's original traffic projections proved to be 50 percent higher than the figures that we derived when applying their methodology. No adequate explanation has been received. Obviously such differences will not escape the attention of any qualified reviewer of the report. How would you propose that we deal with this situation?

There are other examples that could be cited, but these should be sufficient to illustrate our problems.

There are other problem areas that should be resolved much more easily. As stated above we are dependent upon DMJM for cost estimates of various kinds. With respect to estimates on highway costs there have been no difficulties. Everything has been provided as promptly as possible and in good order. However, there have been and continue to be problems with estimates for the railroads as is illustrated below, and quite understandably, considering the nature of the available data. However, it is necessary that we be provided with missing data, that inconsistencies be corrected and that we be advised as to which set of data is to be used when more than one set exist. The following examples are illustrative.

Railroads

1. Summarized below are estimates provided by DMJM on the costs for maintenance of way and works per kilometer for specific rail line segments.

ESTIMATED ANNUAL COSTS PER KM FOR MAINTENANCE

Rail Line Segment	Before Rehabilitation		After Rehabilitation	
	"Actual"* Costs 1966	Estimated† Costs 1966	Estimated‡ Requirements #1	Estimated§ Requirements #2
La Paz-Antofagasta	\$US 1,180	\$US 457**	\$US 155**	\$US 1,566
Arica-La Paz	684	576	196	1,566
Villazon-Atocha	937	652	222	1,240
Guaqui-La Paz	853	-	-	1,240
Cochabamba-Mizque	516	597	203	978
Potosí-Sucre-Tarabuco	516	510	173	978
Yucuiba-Santa Cruz	316	-	-	978
Santa Cruz-Corumba	536	-	-	978

* Compiled from Maintenance of Way and Works accounts.

† & ‡ Table 1, Maintenance Requirements 18 January 1968.

§ Maintenance of Way Costs, 1 February 1968.

** Represents weighted average for segment of line.

Source: DMJM

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

Repeatedly, throughout the project we have had to question such figures as these above. For the La Paz-Antofagasta line there are two estimates of cost for 1966--\$1,180 and \$457 per km. The first figure was developed from accounting data, and the source of the second figure is not known. For post-rehabilitation maintenance two estimates are also given for this segment, of \$155 and \$1,566. The latter figure presumably includes deferred maintenance. The matter of which figures to use assumes some importance when the differences are so great; obviously such differences affect the outcome of any analysis. There must be a resolution as to which sets of figures are to be used. Do you have a suggestion?

2. There are 35 proposed railroad projects under consideration, and we have been asked by DMJM to conduct benefit/cost analyses on 22. To date we have received investment costs from DMJM for only four of these projects and have no information on cost reductions that would permit us to analyze benefits on any of them. Without information that permits us to develop a stream of costs and benefits over time we cannot arrive at an internal rate of return for any project. Can you advise us when you expect to deliver the missing information?

Pipelines

Only one new pipeline project is being considered in the project--one that will move petroleum products from Sucre to Potosí. The information provided for the benefit/cost analysis states that the railroad distance is 400 km when it is actually only 175 km. The distance given for the length of the pipeline is 80 km, which is about the direct air line distance. Bolivian counterpart engineers feel that a pipeline through this rugged topography would be about 140 km in length. What distances should be used, taking into account that use of an incorrect distance for any mode will unfairly prejudice the results in favor of one of the alternative modes?

I hope that this memorandum gives you some appreciation of the problems involved in developing an integrated transport program. Please understand that the memorandum contains examples of a few--not all of the problems.

Please be assured that we are as concerned as you about the continuing delays that prevent completion of the study. But, since much of our analysis is based on inputs from others we cannot complete our work until after satisfactory inputs have been received. For the record I should like to call your attention to the following; which relates to various schedules for completion of the traffic data:

Economic data by sector were given to AMVA beginning in July 1967, with the final submission on December 13, 1967. Completion of the traffic projections was then set for January. In a joint meeting held in Los Angeles on January 8, 1968, AMVA stated that all projections would be completed by the end of January. In February, the date was pushed ahead to the first part of March, and in March it became April. At a joint meeting held at SRI on April 1, 1968, the promise was made by AMVA that

To: Mr. Bill Shope
From: A. K. Beggs

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May 7, 1968

all projections would be complete by April 18th. In a telcon with L. Crump on April 19th he stated that he would forward all estimates on April 20. On Monday, April 22, it was learned that C. Barnes had promised D. Walsh an April 26th completion date. In early May we still do not have complete traffic projections from AMVA and no date has been given for its completion, although L. Crump stated on April 30 that AMVA would terminate its effort by the end of May.

These continued delays have hampered both SRI and DMJM. Engineering cost estimates, also needed by SRI, cannot be prepared until DMJM receives traffic information. But, because of interactions between transport development and the growth of economic sectors, few sections of SRI's draft report can be completed until all traffic data are received and a transport program is established. Do you still feel that we should discontinue our analytical effort?

OFFICE MEMORANDUM

TO: Files

DATE: May 15, 1968

FROM: Hubert F. Havlik

SUBJECT: Peru-Bolivia Road Project*our file
Bolivia Tsp Study*

1. Mr. Wyss called my attention recently to an Inter-Press Service report from Lima dated May 1 which reads as follows (my translation):

"Minister of Public Works Pablo Carriquiry and the Minister of Economy of Bolivia, Alberto Larrea, met here today to finalize the details on the construction of a highway which will link the Peruvian Port of Ilo with the Bolivian capital. During the meeting, the desire to continue receiving economic aid from BID to pursue the execution of the road which will link the far south of this country with the Altiplano was reaffirmed. Larrea will also see President Belaunde and the Minister of Finance today."

2. I had discussed the proposed road study with José Cardenas of IDB fairly recently (as reported in my memorandum to files on this subject dated March 21, 1968), and had the impression that IDB action to finalize the study would be held up pending knowledge of the conclusions of the Bolivian Transportation Study (specifically regarding access by Bolivia to Pacific). I therefore phoned Cardenas on May 7 to call his attention to this news report, the text of which I read to him. I expressed surprise that matters were advancing despite the impression I gained in my earlier talk with him that before deciding to go ahead with the study, IDB would take into account the results of the Bolivian Transportation Study now in its final phases. Cardenas replied that the IDB operational officers were planning to obtain approval soon (before the end of the month) by an IDB technical assistance coordinating committee for proceeding with a technical assistance grant to the two governments of \$200,000 for a preliminary study of the Ilo-La Paz route. This study would include an examination of the alternative routes within Peruvian territory and an analysis of the effects of such a road on the other means of transport between La Paz and the Peruvian coast. (This, in effect, a major weakness in the scope of the study IDB is considering is its omission of Chilean alternatives.) Cardenas asked whether I had talked with any of the responsible officers (particularly Bendfeldt and Barajas); I told him that inasmuch as these gentlemen had been present at our earlier meeting, I had assumed that they were in agreement with the position he had taken, since they had not expressed any contrary view. Cardenas said that he would talk again with the operational officers (particularly Bendfeldt), and would ask them to get in touch with us. (Bendfeldt has been away on mission).

3. Following the above conversation with Mr. Cardenas, I reported the substance to Mr. Skillings and Mr. Wyss. Mr. Skillings agreed that the question of a Chilean alternative was a major omission but he was concerned about difficulties now being encountered in completing the Bolivian Transportation Report (mainly due to differences in the views of the consultants and the Bolivian authorities on railways); hopefully the study should be delivered to the Bank in a few weeks for review and comment. Even then there might also be problems and delays in making available the results of the UNDP financed study to IDB (since the Bolivians would have the say on this matter).

4. On May 15, I again asked Cardenas about the status of the study. He said that the Technical Assistance Committee had approved the proposed technical assistance grant, but with a "contingency repayment" proviso (namely, the grant would be repayable as part of any BID loan for construction if any such loan eventually materialized). The proposal now goes to the BID Executive Directors for consideration in June. If approved (as is probable), BID would choose the consultants. I again stressed the desirability of taking account of results of the UNDP study, pointing out that these results would be known to the Bolivians, who could make them available to BID consultants. Cardenas agreed that it would be sensible for the BID consultants to make use of the results of the UNDP Bolivian Transport Study. (I said we expected a Draft Report for review soon, possibly in June, but disposition of the study would depend on the Bolivians.) Cardenas said BID consultants would also consider the studies of the California-Chile group on transport in northern Chile. (He was vague about what studies had been made.) In reply to my question, he said that any attempt to include Chile directly in the BID financed study would be politically unacceptable to Bolivia. Thus BID was trying (in my words) to play it cool. Cardenas repeated that this is to be a preliminary study and not a full feasibility study; when the costs of a Ilo-La Paz road became known, there would be "second thoughts". I said I would be in touch with him later, after Bendfeldt returned, to learn more about the terms of reference. I have suggested to Mr. Engelmann that in the meantime we try to ascertain from DMJM (who are making the UNDP study) what if any conclusions have crystallized on the adequacy and relative priorities of the Bolivian transport outlets to the Pacific.

HFHavlik/z

cc: Messrs. Alter
Skillings
Reitter
Riley
Baum
Engelmann
Wyss

*on file
Bol. Tsp*

April 25, 1968

Mr. Erich K. Lang
Resident Representative a.i.
United Nations Development Programme
Casilla No. 686
La Paz
Bolivia

Dear Mr. Lang:

I wish to acknowledge your letter of April 8, 1968, which you handed to me in La Paz, attaching a copy of the memorandum you addressed to the Assistant Administrator and Director of UNDP in New York concerning the request by the Bolivian Government for technical assistance to the national railroads.

With best personal regards,

Sincerely yours,

Alberto J. Favilla
Western Hemisphere Department

cc. Messrs. Skillings
Riley ✓
B. Jones
Hansen

AJFavilla:mdk

Files

April 22, 1968

Robert F. Skillings

BOLIVIA - Transport Survey

1. On April 8 Mr. Pavilla and I called on the Bolivian Minister of Public Works in La Paz, Mr. Gustavo Mendes Torrico, and that evening we were entertained at dinner by General Sigfredo Montero Velasco, President of the Bolivian railway organization. On both occasions we were subjected to voluble and detailed criticism of the work of the consultants preparing the Transport Survey, particularly of their work on the railways. The Minister (who prior to taking his present job was General Manager of the railways) and the General both alleged that the railway experts were not of a calibre that could see the broad problems of railways in Bolivia, that they had not spent sufficient time studying the economics and the outlook of the two lines in the east, from Santa Cruz to Brazil and Santa Cruz to Argentina, to be in a position to make valid recommendations about their future, and that the problem of linking the eastern and western systems between Cochabamba and Santa Cruz had also been given only cursory attention. In their view whatever conclusions came out of the report about these problems - which they regard as the most important facing the Bolivian transport authorities at the present time - should not be given any weight. General Montero told me that he had heard from the Bolivian railway expert now working with IDMM in the preparation of the report in California, that all of the IDMM railway team had been dispersed and there was no one left writing the report who had had any contact with the railways at all in Bolivia, except Mr. Walsh himself.

2. I tried to reassure the Minister and the President of the railways that the Bank would review the report objectively and would support and urge upon the Bolivians only those elements of the recommendations which we felt were objective and well substantiated. I observed that in questions such as those relating to the future of the eastern lines, or of the connection between Santa Cruz and Cochabamba, there were necessarily political and diplomatic considerations which would properly enter into any final decision on these matters by the Bolivian Government. I said, however, that the Bank, and particularly the consultants who had been employed to make the Transport Survey, ought not in the nature of things to try to evaluate such political factors but rather to confine themselves to presenting an accurate picture of the costs and benefits of alternative courses of action so that the Government itself could give the economic factors proper weight when reaching its conclusions.

3. I am not sure that my observations succeeded in allaying the fears of the Bolivian officials. There was an atmosphere of IDMM and the Bank being in a conspiracy to force the closure of the eastern railways and the termination of work on the east-west link!

April 22, 1968

4. I am concerned by the evident unwillingness of the Bolivians to place any trust in the findings of the Transport Survey. The reasons they have reached this attitude are no doubt varied and complex and include their own political and diplomatic considerations, problems of national pride, and undoubted weaknesses in the ability of the DMJM team to maintain harmonious relations with senior Bolivian officials and with the Bolivian counterparts assigned to work with them. Whatever weight should be given to these various factors, the fact remains that we shall have great difficulty persuading the Bolivians to adopt particular transport policies merely because they were part of the Survey's recommendations. I am afraid that all we can do in the immediate future is to keep in touch with the consultants to ensure that they are indeed doing the best possible job technically on the report, particularly its railway section.

cc: Messrs. Alter/Chaufournier
Wright/Pavilla
Baum
Englemann/Hansen
Riley
Sassoon
Rumbaki

RFSkillings:jd

OFFICE MEMORANDUM

→ BOL 15
x UN Fellows

TO: Mr. Vincent J. Riley

FROM: R. W. Van Wagenen *RW*

SUBJECT: UNDP Fellows

DATE: April 8, 1968

The attached originals of fellowship nomination forms for five Bolivian candidates for UNDP Fellowships are transmitted to you, as I presume you should have them rather than I. They were sent to me from Mr. Baum's office.

Are we prepared to take on these fellows? To the best of my knowledge, there are no plans to do so until the projected meeting takes place between various of us. Yet Transportation Division seems to be encouraging future fellowships, as indicated by Mr. Baum's letter of March 28 to Mr. Murillo Casas and Mr. Regling's memo to the files dated April 4. The carbons indicate that you have received copies of these two communications.

Unless I hear from you differently, I shall assume that we are not planning to do anything about these nominees, or future nominees from the Bolivian National Railroads. For the record, I will say that I believe the Bank should take on this job of placing the UNDP Fellows from projects for which we are the executing agency, but the question is which part of the Bank should do the work.

RWW:mb

PROGRAMA DE LAS NACIONES UNIDAS
PARA EL DESARROLLO



Mr. Riley
UNITED NATIONS
DEVELOPMENT PROGRAMME

NACIONES UNIDAS

RCQ

CASILLA 686

Avenida Arce No. 2419

LA PAZ - BOLIVIA

Teléfonos: 22394 - 23279 - 10415 - 23403

Cables "UNDEVPRO" La Paz

Referencia: PNUD-SF 2(12)/890

*our file
Bol. Tsp*

~~8th~~ April 1968

Dear Mr. Favilla,

..... For your information I am pleased to enclose here-
with a copy of the note I have addressed to our Assistant
Administrator and Director of UN Development Programme
in New York concerning the request of the Bolivian Govern-
ment for the "National Railways" project, which is self-
explanatory.

Yours sincerely,

Erich K. Lang
Resident Representative a.i.

Mr. Alberto J. Favilla
International Bank for Reconstruction
and Development
City.-

EKL/rcq

cc : Mr. Favilla ✓

PNUD-SF 2(12)/875

5 April 1968

Dear Mr. Cohen,

.....
I have pleasure in sending you herewith a photocopy
of a letter from the Ministry of Foreign Affairs dated
18 March 1968 and received by this office on 26 March,
submitting a request to the Special Fund for Technical
Assistance to the "National Railways". I also enclose
four copies of the Government's request.
.....

As I gather from page 2 of your letter of 15 December
1967 (DP/SF/310/BOL 15 - DP/SF/214/BOL 15) to Mr. Richard
H. Demuth you were informed during Messrs. Riley and Hansen's
visit at HQ of this forthcoming project proposal, in the
preparation of which the World Bank assisted the Government
of Bolivia.

Since the negotiations leading to this request were
carried out between the World Bank and the Government of
Bolivia without participation of this office, I have no
detailed knowledge of the problems involved. Taking the
information contained in the report for granted, I'd, however,
think that the request should be judged very positively.
Since a reorganization of the Bolivian Railways will be
susceptible to considerably lowering the deficit of this
enterprise and a reorganization of its operational policies
cannot be carried out without technical assistance, the
project deserves priority, especially as this proposal is
to be considered as a kind of continuation of the Special
Fund Project "Integrated Transport Survey."

Yours sincerely,

Erich K. Lang
Resident Representative a.i.

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
New York, N.Y.-

UNITED NATIONS
DEVELOPMENT PROGRAMME



UNITED NATIONS
NEW YORK

PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

BOL 15
[Signature]

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

8 April 1968

REFERENCE: DP/SF/310 BOL 15
DP/SF/214 BOL 15

Dear Mr. Demuth,

Subject: Bolivia - Integrated Transport Survey

This is to acknowledge receipt of Mr. Riley's letter of 2 April 1968 addressed to Mr. Cohen, with which the Bank sent us two signed and 15 conformed copies of the amendment dated 29 March 1968 to the Plan of Operation for the above project.

Yours sincerely,

[Signature]
Paul-Marc Henry
Assistant Administrator
and

Associate Director, Bureau of Operations and Programming

Mr. Richard H. Demuth
Director of Development Services
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Files

Can file
BOL - 15
April 4, 1968

D. L. Regling

BOLIVIAN NATIONAL RAILROADS (Fellowships)

The BNR submitted five requests for fellowships for railroad employees as discussed in November 1967 with the Bank Mission and Messrs. Pereyra Meneses, Balena, Beyer, the UN Representative for Bolivia, Mr. Lang, as well as with representatives of BNR.

The following was the suggested breakdown of the fellowship allocation for the Bolivian National Railroads:

<u>Field of Study</u>	<u>Number of Fellowships</u>	<u>Country of Study</u>	<u>Period in months</u>	
			<u>1968</u>	<u>1969</u>
Railroad Commercial Traffic	2	USA	6	6
Railroad Statistics and Accounting	1	USA	12	
Computer Operations	1 - 2	Puerto Rico	2 + 2	
Train Movement and Traffic	2	Spain	6	6
Diesel Shop and Diesel Operations	2	Mexico	<u>10</u>	<u>12</u>
Total (for Railroad Employees)			38	24

The curricula vitae of each of five candidates put forward by BNR indicate that two candidates have already had some training abroad (Mr. Rios Castro in Brazil and in France and Mr. Mirabal Molina, under a scholarship from the Federation of British Industries, with British Railways). I have some doubt whether UNDP fellowships should be used for training employees who have already been abroad; the nucleus of trained men should be broadened, so that more men can obtain training abroad. However, I learned from BNR that they wish to bring the two men mentioned up to the top level of BNR. In these circumstances BNR's proposal may be right.

Mr Riley

- 2 -

On the other hand the best country for training purposes may not be the USA. France might be better suited since SNCF are geared to giving special training and both candidates speak and read French. The other three candidates who can only speak Spanish are bound to go to a Spanish speaking country.

These views are being pursued further with the Technical Assistance section of the Transportation Division.

D. L. Regling:lg

Cleared with and cc: Sir Gordon Mackay

cc: Messrs. Pavilla, Engelmann, Riley, Van Wagenen

OFFICE MEMORANDUM

TO: Mr. Engelmann

DATE: April 3, 1968

FROM: D. L. Regling

SUBJECT: Fellowships for Bolivian Railroad Employees

The railway employees nominated by BNR for a fellowship seem personally to be well suited for the special training abroad. However, the nominee for railroad commercial training has already had some training, under a scholarship, from April 1965 to March 1966 with British Railways. The nominee for accounting and statistics attended a course in railroad operation and commercial service from December 1959 to May 1960 in France (SNCF). Now both employees are proposed to be trained in USA. Unless BNR have good reasons for training these two men to make them fit for the higher echelon of BNR I would recommend selecting other employees, thereby increasing the very limited nucleus of experienced staff. In addition I would recommend training in France rather than in the USA due to the better training possibilities with the French Railways.

The other three employees to be trained in train operation and traffic, and in computer operation have only a knowledge of Spanish and can therefore only be trained in Spanish speaking countries.

DLRegling:lg

Cleared with and cc: Sir Gordon Mackay

cc: Messrs Favilla, Riley, Van Wagenen

our file
BOL 15

March 28, 1968

Ing. Armando Murillo Casas
Gerente General a.i.
Empresa Nacional de Ferrocarriles
Casilla No. 428
La Paz, Bolivia

Re: BOLIVIA - Transport Survey

Dear Ing. Murillo:

Thank you for your letters of March 6 and 14, 1968 and the attached fellowship nomination forms for Messrs. Rios Castro, Mirabal Molina, del Bario, de la Cruz Zenteno and Ugante Delgadillo.

We shall return to this as soon as we have completed our review of the forms. In the meantime we look forward to receiving the remaining nomination.

Sincerely yours,

Warren C. Baum
Assistant Director - Projects Department
in charge of Transportation

cc: Sr. Ministro Rolando Pardo Rojas
Secretaria Nacional de Planificacion
y Coordinacion
Cajon Postal 3116
La Paz, Bolivia

Sr. Ministro Mendez
Ministerio de Obras Publicas
La Paz, Bolivia

Sr. Ministro Romero Loza
Ministerio de Hacienda
La Paz, Bolivia

Cleared with and cc: Mr. Skillings
cc: Mr. van Wagenen, Mr. Negling (with incoming)
Mr. R. Jones, Mr. Riley, Mr. Sassoon

HHansenurg

our file

March 28, 1968

Sr. Ministro Rolando Pardo Rojas
Secretaria Nacional de Planificacion
y Coordinacion
Cajon Postal 3116
La Paz
Bolivia

Re: BOLIVIA - Transport Survey

Dear Minister Pardo:

Thank you for your letter of March 14, 1968 and the attached comments on the Consultants' working drafts.

We believe these comments will be very useful for the Consultants in the preparation of the Draft Final Report. Your comments form part of the continual exchange of views between the counterparts and the Consultants and we shall therefore read them with interest.

The Bank normally does not review the consultants' working drafts and we have not received copies in this instance. We shall therefore not make formal comment on these drafts. The Bank will, of course, receive copies of the complete Draft Final Reports (now due May 15 and June 15, respectively) and these will then be carefully reviewed by the Bank.

Sincerely yours,

Warren C. Baum
Assistant Director - Projects Department
in charge of Transportation

Cleared with and cc: Mr. Skillings

cc: Messrs. Riley, Sassoon, R. Jones, North, Parthasarathi,
Regling

HHansen turg

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

22 March 1968

REFERENCE: DP/SF/310 BOL 15
DP/SF/214 BOL 15

Dear Dick,

Subject: Bolivia - Integrated Transport Survey

.....

As requested in Mr. Riley's letter of 13 March 1968, we are pleased to return herewith five copies of the Amendment to the Plan of Operation for the above project signed by me on behalf of the United Nations Development Programme (Special Fund).

We look forward to receiving two copies of the executed document and 15 conformed copies of the Amendment to the Plan of Operation as soon as practicable.

Yours sincerely,

A handwritten signature in blue ink, appearing to be "Myer Cohen", with a long horizontal stroke extending to the right.

Myer Cohen
Assistant Administrator
and

Director, Bureau of Operations and Programming

Mr. Richard H. Demuth
Director of Development Services
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

RECEIVED
GENERAL FILES
COMMUNICATIONS
1968 MAR 26 PM 3:28

DP/SF/310 BOL 15

April 2, 1968

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Cohen:

Subject: Bolivia Integrated Transport Survey

Attached are two signed and 15 conformed copies of the
amendment dated March 29, 1968, to the Plan of Operation for the
above project.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosures

cc: Mr. Sassoon

VJRiley:cbh

OFFICE MEMORANDUM

TO: Mr. Vincent Riley DATE: March 29, 1968

FROM: David M. Sassoon *DMS*

SUBJECT: BOLIVIA - Amendment to the Plan of Operation

Attached hereto please find 2 copies of the Amended Plan of Operation for dispatch to the UNDP. We will in due course furnish you with 15 conformed copies for the same purpose.

Attachments

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

March 21, 1968

NAME

ROOM NO.

~~Mr. Demuth~~

845

~~Mr. Riley~~

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

I discussed this approach with Mr. Riley
beforehand.

over file
Bolivia TSP. Summary

From

Hubert F. Havlik

Mr. Robert F. Skillings

BOL
March 21, 1968

Hubert F. Havlik

LATIN AMERICA:- Peru-Bolivia Road Project

1. On February 19, I visited José Cardenas, Integration Adviser, Inter-American Development Bank, to inquire as to the present status of the proposed study of the Ilo-Desaguadero road (linking the Peruvian port of Ilo with the Bolivian border on the southern tip of Lago Titicaca), as agreed earlier in discussions with Mr. Wyss and Mr. North. The IDB now refers to it as the Ilo-La Paz road. Mr. Cardenas called in Manuel Bendfeldt (formerly IDB representative in Bolivia and now in charge of Bolivian affairs), Robert Keating (transportation consultant) and Javier Barajas-Manzano (on Peruvian affairs).
2. Cardenas said that the proposed study of a road had been discussed some time ago by President Barrientos of Bolivia and President Belaunde of Peru. (IDB feels that pressures from Bolivia for such a road will continue, regardless of who is President of Bolivia.) Subsequently the Bolivian authorities had approached the IDB and requested IDB to provide a grant for the study. Consequently the IDB had been working with both the Peruvian and Bolivian highway departments to define the terms of reference for the first stage (i.e. the preliminary study) of the project. The terms of reference as they now stand have been approved for Peru by Felipe Vera La Rosa, Director of Highways in Peru and Jose de la Puente, Director of Economic Affairs. They have been sent to the Bolivian highway officials for review and approval. Cardenas gave me a copy of the document in Spanish.
3. Cardenas stressed that the terms of reference included a study of the comparative cost of transport by such a road and costs under existing transportation systems, and the economic and social impact of such a road on the other systems of transport from Bolivia to the Pacific coast, including the Chilean-Bolivian railway (starting from Arica) and the Southern Railway (of the Peruvian Corporation) in Peru. He added that he expected that both Peru and Bolivia would have to contribute to the costs of constructing such a road. He suggested that it might be owned or controlled by a bi-national corporation with power to collect tolls so as to satisfy Bolivian desires to have some control over the road. Cardenas said that he was aware of the interests of the Peruvian Corporation in improving the facilities of the Southern Railway, including the Titicaca ferry service, to more adequately serve Bolivian traffic. (Apparently Michael Lubbock had discussed possible financing with IDB some time ago.)
4. I referred to the Bolivian Transportation Study being financed by UNDP, for which the Bank is executing agency, and handed him the terms of reference for that study, calling attention particularly to Paragraph II B 2(e)

"Ocean Ports and International Links". This requires the consultants to review port facilities in Chile and Peru and international links between them and Bolivia, to identify major shortcomings and bottlenecks, to make recommendations for additional studies which may be needed to implement necessary improvements in existing facilities, to study the effect of international agreements on the costs and selection of alternative routes, and to make recommendations for any modifications in the agreements that may be required to improve the flow of Bolivian traffic and to achieve the most economic use of facilities (existing and proposed). I pointed out that this section had been called to the attention of IDB representatives in earlier meetings, at least at the Inter-Agency Highway meetings in Peru. The Bolivian study was now nearing completion and a draft report was scheduled to be delivered to the Bank in early May for comment; after that it would be reviewed by consultants and the Government. Hence the substance of the main conclusions should be emerging very soon and we should know whether they had a bearing upon the justifiability of Ilo-La Paz project. Cardenas agreed that in these circumstances that they should await the results of the Bolivian Transport Study before deciding whether to proceed with making the grant for the Ilo-La Paz study. But it was evident that he attached considerable importance to the political aspects of the project. The cost of such a study was reported by Mr. Barajas at about \$200,000, which would cover the entire costs, with no contributions from the Governments (in view of difficulties which would arise if Chile were asked to finance a portion relating to the Chilean transportation aspects).

5. Cardenas also said that it would be desirable to take account of the findings of a study being carried (or being financed by) AID concerning the transport sector in southern Peru. None of the other persons present seemed to know who in AID-Washington could be contacted to determine the scope and timing of such a study. It was said that this had been discussed with Mr. Dentzer, chief of the AID Mission in Peru. (Subsequently Mr. Padilla verified with Mr. Barajas that the latter knew nothing of any AID study. I understand that you will try to check with Mr. Dentzer on his forthcoming visit to Washington to ascertain whether any study is being made or planned.)

6. Attached hereto is a copy of the terms of reference for the Ilo-La Paz highway study which is now being considered by the Bolivians.

HFHavlik/z

cc: Messrs. Alter
Demuth
Baum
Reitter
Wyss
Engelman
North



REPUBLICA DEL PERU
MINISTERIO DE FOMENTO Y OBRAS PUBLICAS

CARRETERA ILO-LA PAZ

TERMINOS DE REFERENCIA PARA LA 1era. ETAPA DEL ESTUDIO DEL PROYECTO.-

DESCRIPCION DEL ESTUDIO.-

El estudio tiene por objeto seleccionar la ruta y analizar la economía de una carretera entre el Puerto Peruano de Ilo y la ciudad de La Paz, Bolivia. Este trabajo constituiría la primera etapa del estudio del Proyecto.

TERMINOS DE REFERENCIA.-

- 1°.- Efectuar estudios comparativos de cualesquiera ruta entre Ilo y La Paz, para determinar la que más convenga a los intereses generales de ambos países y de las regiones que atraviesen:
 - a) Realizar los estudios de reconocimiento de las diferentes rutas.
 - b) Estimar los presupuestos globales para la construcción de las alternativas.
 - c) Estimar los costos de transporte en cada una de las alternativas.
 - d) Estimar el tráfico nacional e internacional y sus modalidades para un período de 25 años.
 - e) Realizar un análisis estadístico y económico que permita estimar los beneficios generales de las diferentes alternativas.
 - f) Elaborar los estudios comparativos de costos y beneficios globales.
- 2°.- Sugerir la ruta y características para la construcción por etapas de la carretera seleccionada.
- 3°.- Analizar la capacidad y necesidades generales del Puerto de Ilo para manejar la carga resultante de la construcción de la Carretera.
- 4°.- Evaluar los beneficios económicos de la ruta seleccionada con patrones aceptables por organismos de financiamiento internacionales, incluyendo entre otros, los siguientes aspectos :
 - a) Beneficios económicos para Perú y Bolivia.
 - b) Beneficios para la integración de América Latina.
 - c) Aumento neto de la producción agrícola e industrial de la zona de influencia.
 - d) Reducción en el costo del transporte de bienes y personas.
 - e) Beneficios intangibles.

[Firma manuscrita]



REPUBLICA DEL PERU
MINISTERIO DE FOMENTO Y OBRAS PUBLICAS

- 2 -

°°//

- 5°.- Determinar para la ruta seleccionada la relación beneficio-costos y la tasa de recuperación de capital, calculadas con el descuento de costos y beneficios - futuros con una tasa de interés de 10% y un plazo de 25 años.
- 6°.- Preparar un estudio comparativo de los costos de transporte por la carretera propuesta frente a los otros sistemas de transporte existentes. *estudiar*
- 7°.- ~~Estudiar~~ el impacto económico y social de la nueva carretera en los otros sistemas de transporte existentes para el comercio exterior de Bolivia.
- 7°.- En caso de que el resultado del estudio así lo aconseje, preparar los términos de referencia y el presupuesto correspondiente para la segunda etapa de los estudios. Esta segunda etapa debería comprender los diseños finales de ingeniería, especificaciones y otros documentos necesarios para la inversión.
- 8°.- Realizar cualquier otro trabajo adicional de naturaleza técnica, económica o administrativa *X* que se requiera, para el cumplimiento de los objetivos generales del estudio.

Felipe Vera La Rosa, Director Vías de Comunicación - Perú

7/2/64
[Firma]
José de la Puente, Director de Asuntos Económicos

ROUTING SLIP

Date

March 26, 1968

NAME

ROOM NO.

Mr. Baum

410

Mr. Engelmann

F-338

Mr. North

405

Mr. Riley

842

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Please attach to my memorandum dated
March 21 on "Peru-Bolivia Road Project".

over file BOL with Sp. Survey
Pr

From

Hubert F. Havlik

BOL 15

REPUBLIC OF PERU
MINISTRY OF DEVELOPMENT AND PUBLIC WORKS

ILO-LA PAZ HIGHWAY

TERMS OF REFERENCE FOR THE FIRST STAGE OF THE PROJECT STUDY

DESCRIPTION OF STUDY

The object of the study is to select the route for a highway between the Peruvian port of Ilo and the city of La Paz, Bolivia and to examine the economic implications of such a project. This work would constitute the first stage of the project study.

TERMS OF REFERENCE

1. To make comparative studies of various alternative routes between Ilo and La Paz in order to decide which would be in the best overall interests of each country and of the regions traversed:
 - a) To make survey studies of the various routes.
 - b) To estimate the overall construction costs of the alternative routes.
 - c) To estimate transportation costs on each of the alternative routes.
 - d) To forecast the domestic and international traffic and its characteristics over a period of 25 years.
 - e) To prepare a statistical and economic analysis that will provide a basis for evaluating the general merits of the various alternatives.
 - f) To prepare comparative studies of overall costs and benefits.
2. To propose the route and indicate the nature of each stage of the construction of the highway selected.
3. To analyze the capacity of the port of Ilo and determine what it will, in general terms, require to enable it to meet the demands resulting from the building of the highway.
4. To evaluate the economic benefits of the route selected in terms acceptable to international financing agencies, including amongst other things, the following aspects:
 - a) Economic benefits to Peru and Bolivia.

TRANSLATION SECTION E-299/68

Translated From: Spanish 3-25-1968By: JHH:pd

- b) Benefits in terms of the integration of Latin America.
 - c) Net increase in agricultural and industrial production within its sphere of influence.
 - d) Reduction in transportation costs for goods and persons.
 - e) Intangible benefits.
5. To determine, in the case of the route selected, the cost-benefit ratio and the rate of capital-recovery, discounting future costs and profits at an interest rate of 10% over a term of 25 years.
 6. To prepare a study comparing the transportation costs of the proposed highway with those of the other existing transportation systems and assess the economic and social impact of the new highway on the existing systems of transportation serving Bolivia's external trade.
 7. Should it appear desirable in the light of the outcome of the study, to prepare the terms of reference and budget for the second stage of the study. This second stage would cover the final engineering drawings, specifications and other documents required for the investment.
 8. To undertake any additional work of a technical, economic or administrative nature that may be needed to realize the general objectives of the study.

Felipe Vera La Rosa, Director of Communications, Peru

José de la Puente, Director of Economic Affairs

one file

Mr. A. Pavilla

March 18, 1968

Peter Engelmann

BOLIVIA - Transport Survey
Your Forthcoming Mission to Bolivia

I should appreciate if you, during your forthcoming economic mission to Bolivia, would review with the Government and, if necessary, with General Por Solder the current status of the following points:

1. Application to the UNDP for Additional Assistance to the National Railway.
2. Selection of Fellowship recipients, their place and field of study.
3. Local currency payments to DMJM.

cc: Mr. Skillings
Mr. R. Jones
Mr. Riley ✓
Mr. Sassoon

HHansen:urg

DP/SF/310/BOL 15
DP/SF/214/BOL 15

*Pro 1110
27 Nov 68*

March 13, 1968

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Cohen:

Subject: Bolivia Integrated Transport Survey *C*

Attached for execution are five copies of the Amendment to the Plan of Operation for the above project.

We have corrected the error noted in your letter of March 5; namely, that the \$6,600 increase in the Government's cash contribution should appear under the heading "Local Costs for Expatriate Personnel Per Diem." In regard to the Government contribution in kind, this matter was discussed with the Government during the mission referred to in my letter of February 9. There is no question that the Government will continue to provide the services and facilities, including counterpart staff needed during the period of the extension of this project. However, it was concluded that the figures shown on the original Plan of Operation represented a reasonable evaluation for the total services being provided and that a revision of these figures, consequently, is not justified.

Assuming you find everything in order, we would appreciate your signing all five copies of the attached Agreement and returning them to us. After signature by the Government and the Bank in Washington, two copies will be returned to you together with the usual fifteen conformed copies.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosures

VJRiley:cbh

cc: Mr. Favilla
Mr. Hansen
Mr. R. Jones
Mr. Sassoon

EMBAJADA DE BOLIVIA
WASHINGTON, D. C.

Marzo 12, 1968

V. S. - 85/68

Señores
Banco Internacional de
Reconstrucción y Fomento
Washington, D. C.

Atención: Señor Alberto Favilla

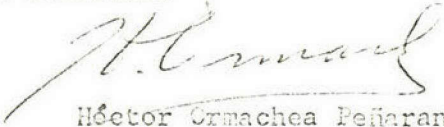
Señores:

En conocimiento que cursa en los archivos del Banco Internacional de Reconstrucción y Fomento una copia del cable de mi Gobierno autorizándome, en su representación, a suscribir la enmienda del contrato correspondiente al estudio integral de transportes y tomando en cuenta que en dos días más me ausentaré a Bolivia por aproximadamente un mes, me es grato poner en su conocimiento el texto de un cable anterior de mi Gobierno autorizando a suscribir el mencionado documento a Su Excelencia el Embajador, Don Julio Sanjinés Goytia:

"LA PAZ FEBRERO 16, 1968
CNL SANJINES EMBOLIVIA WASHINGTON DC
ROGAMOS REPRESENTAR GOBIERNO EN FIRMA ENMIENDA PLAN OPERACIONES
ESTUDIO INTEGRAL TRANSPORTES ATENTAMENTE
PARDO ROJAS DIRECTOR COORDINACION PLANEAMIENTO

Debido a mi mencionado viaje y a todo lo expuesto antes, será entonces el Embajador Sanjinés quién firme la enmienda.

Rogándoles tomar nota de esta información y adoptar las previsiones del caso, me suscribo de ustedes con la mayor atención.


Héctor Ormachea Peñaranda
Ministro Consejero

our file
Bolivia TSP study
Logged

V. Riley
for file
bol

March 8, 1968

Mr. F. E. Isgrig
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles
California, 90005

Re: BOLIVIA - Transport Survey

Dear Mr. Isgrig:

The United Nations Development Programme has agreed to provide funds to cover the travel to California and reasonable living costs there for four counterparts (Messrs. Balenz Rios, Tejerina and Irahola) in order that they can participate in the preparation of the draft final report. The Bank has already made arrangements for the issuance of airline tickets to these counterparts.

Although the living costs of the counterparts are not part of your contract we should appreciate if you would advance each counterpart some \$200 to cover their expenses during the first week or so and subsequently advance further amounts against a signed statement of their actual expenses during the previous week, accompanied by receipted invoices where appropriate. You should then submit these statements to the Bank for reimbursement with copy to the Government. The Bank will reimburse for the actual reasonable living expenses of the four counterparts up to a maximum of \$25 per day for a maximum total number of 150 days.

Sincerely yours,

HHansen:urg

Warren C. Baum
Assistant Director - Projects Department
in charge of Transportation

cc: Minister Mendez
Ministerio de Obras Publicas
La Paz, Bolivia

Minister Romero Loza
Ministerio de Hacienda
La Paz, Bolivia

Minister Rolando Pardo
Secretario de Planificacion y Coordinacion
Casilla 3116, La Paz, Bolivia

cc: Messrs. Favilla, Riley, Sassoon
Cleared with and cc: Mr. R. Jones

ROUTING SLIP

Date

3-11

NAME

ROOM NO.

C C T Sassoon

Hansen

Favilla

Reamy
our file

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Are we in a position to
now complete the Plan Op +
Schedule signing?

Holmes trans.

From

[Signature]

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

5 March 1968

REFERENCE: DP/SF/310 BOL 15
DP/SF/214 BOL 15

Dear Dick,

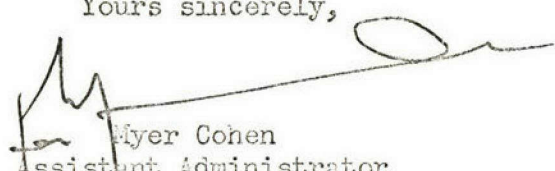
Subject: Bolivia - Integrated Transport Survey

I write with reference to your letter of 9 February 1968, with which you sent us for comments the draft amendment to the Plan of Operation for the above project.

We note that the draft is not yet complete as regards the Government contribution in kind. We should also like to mention that the Government's cash contribution, increased by \$6,600 equivalent, should be shown on page 5 in the Plan of Expenditure, section a) rather under the Local Costs for Expatriate Personnel Per Diem than under Services by local Professional Staff, since you explain that this relates to the extension of assignment of railway accounts and statistics expert.

Subject to a revision of these two items we find the document acceptable for signature.

Yours sincerely,


Myer Cohen
Assistant Administrator
and

Director, Bureau of Operations and Programming

Mr. Richard H. Demuth
Director of Development Services
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

68-14

COPY

INCOMING CABLE

FEBRUARY 29, 1968

1838

RC 16/1

PAVILLA INTBAFRAD

LA PAZ

Action Copy: Mr. Skillings

Information

Copy: Mr. Alter

DALENZ AND RIOS DEPART MARCH 6. TEJERINA AND IRAHOLA

MARCH 13

PAZSOLDAN

cc. Messrs. Riley
Engelmann
Sassoon
Hansen

from file
BOLIVIA Tsp

UNDEVPRO
LAPEZ

FEBRUARY 29, 1968

LT

BOLIVIA

REOURCAB FEBRUARY 27 CONCERNING COUNTERPART PERSONNEL STOP HAVE NOT YET
HAD ANY RESPONSE FROM GOVERNMENT AND SHOULD APPRECIATE ANY INFORMATION
YOU COULD PROVIDE STOP

RILEY
INTRAIRAD

Vincent J. Riley
Development Services

Cleared in substance with and cc: Mr. Favilla

cc: Mr. Henry
Mr. Sassoon

HHansen:vbr

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

February 27, 1968

NAME

ROOM NO.

~~Miss Powell~~

841

~~Miss Kiley~~

Bolivia Tpr. file

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

A.J. Favilla

MINISTER ROLANDO PARDO

SEDEFIA

LA PAZ

BOLIVIA

FEBRUARY 27, 1968

IDF GOVT.

RE BOLIVIA TRANSPORT SURVEY AND AGREED TRAVEL OF FOUR COUNTERPARTS TO
CALIFORNIA HAVE TODAY MADE AIRLINE RESERVATIONS FOR DEPARTURE LA PAZ MESSRS
DALENE AND RINO CASTRO ON LLOYD BOLIVIANO MARCH ONE CONNECTING WITH VARIO
FLIGHT IN LIMA TO LOS ANGELES STOP TICKETS WILL BE ISSUED THROUGH VARIO
LAPAZ STOP SIMILAR ARRANGEMENTS MADE FOR GENERAL CASANOVAS AND MISTER
IRANOLA FOR MARCH 15 STOP PLEASE CONTACT VARIO IF PROPOSED TIMING NOT
CONVENIENT AND CABLE BAKH AND DMJM CONFIRMING TRAVEL SCHEDULE

FAVILLA

INTRAFRAD

Alberto J. Favilla

Western Hemisphere Department

Cleared with and cc: Mr. Hansen

Mr. Messerly

cc: Mr. R. Jones

Miss Powell

Mr. Cassoon

Mr. Skillings c/r

Hansen/AJFavilla:mck

BOOK OF THREE CABLES

FEBRUARY 27, 1968

1. MINISTER MIRIEZ
MINISTERIAS PUBLICAS
LA PAZ
BOLIVIA
2. MINISTER ROMERO LOZA
MINISTERIO DE AGRICULTURA
LA PAZ
BOLIVIA
3. UNREVPD
LA PAZ
BOLIVIA

ISF GOVT.

HAVE TODAY SENT FOLLOWING CABLE TO MINISTER PANDO QUOTE RE BOLIVIA
TRANSPORT SURVEY AND AGREED TRAVEL OF FOUR COUNTERPARTS TO CALIFORNIA HAVE
TODAY MADE AIRLINE RESERVATIONS FOR DEPARTURE LAPAZ MEXICO. DALEZ AND RIOS
CASTRO ON LLOYD BOLIVIAN MARCH 1 CONNECTING WITH VARIOUS FLIGHT IN LINE TO
LOS ANGELES STOP TICKETS WILL BE ISSUED THROUGH VARIOUS LAPAZ STOP SIMILAR
ARRANGEMENTS MADE FOR GENERAL CASANOVAS AND MISTER IRABOLA FOR MARCH 15 STOP
PLEASE CONTACT VARIOUS IF PROPOSED TIMING NOT CONVENIENT AND CABLE NAME AND
ORIGIN CONFIRMING TRAVEL SCHEDULE UNQUOTE

PAVILLA

INTHAYRAD

Alberto J. Pavilla

Western Hemisphere Department

Cleared with and cc: Mr. Hansen
Mr. Mosserly
cc: Miss Powell
Mr. R. Jones
Mr. Sassoon
Mr. Skillings dr
Hansen/AJPavilla:mdk

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. Warren C. Baum

FROM: Harald Hansen

SUBJECT: BOLIVIA - Transport Survey
Back-to-Office and Full Report

DATE: February 21, 1968

A. Background

1. A mission composed of Messrs. A. Favilla (Western Hemisphere Department) and H. Hansen visited Bolivia for discussions with the Government and the Consultants' Project Manager from February 9 to 17.

2. This report covers the points discussed in connection with the Transport Survey. Mr. Favilla will report separately on other points.

3. The Survey is a UNDP financed integrated transport survey with the Bank as Executing Agency. The contract between the Government of Bolivia and Daniel, Mann, Johnson and Mendenhall in association with Stanford Research Institute and Alan Voorhees & Associates, Inc. became effective on March 10, 1967 and field work started mid-April.

4. This was the third mission in connection with the Survey; the reports on the previous missions are in memoranda from Messrs. North and Hansen dated July 6, from Mr. Hansen dated November 22, and from Messrs. Parthasarathi and Regling dated December 4, 1967.

B. Summary

5. The mission discussed the outstanding points in the Survey with the President of the Central Bank (also Governor of the Bank) and the Ministers of Agriculture, Economy, Finance and Public Works. The mission also met with the UNDP Resident Representative and Undersecretary Pereyra Mendez.

6. The main points discussed concerned (1) the amendment to the Plan of Operation incorporating the additional allocation obtained from the UNDP for travel of counterparts to California, extension of Mr. Schwarz's services for one year, "wet season" data collection program, and reimbursement of \$15,000 in local currency expenditures; (2) the amendment to the Consultants' Contract incorporating the above items and extending the time for submission of the draft final report until May 10; (3) the selection

*Mr. Regling
our file*

February 21, 1968

of counterparts to travel to California to assist in the preparation of the draft final report; and (4) the need for and scope of further assistance to the National Railways. Agreement now exists on these points. In view of the recent political changes the mission also discussed the present position of the "Secretaria Nacional de Planificacion y Coordinacion," (hereinafter referred to as "Planning"). Attention should continue to be given to future developments regarding Planning, the relationship between the Government and the Consultants, and local currency payments.

C. Amendments to Plan of Operation and Consultants' Contract

7. The mission discussed the Amendment to the Plan of Operation with the Ministers of Economy, Finance and Public Works as well as with Undersecretary Pereyra and the UNDP Resident Representative. By cable of February 13 the Foreign Ministry instructed the Bolivian Ambassador in Washington, Mr. Julio Sangines Goytia, to sign the Amendment (copy sent to Legal Department).

8. Amendment No. 1 to the Consultants' Contract was signed on February 5 by Undersecretary Pereyra (who also signed the contract itself) and Mr. Walsh (the Project Manager). One signed copy of the Amendment in English and one in Spanish have been sent to Legal Department.

D. Travel of Counterparts

9. The mission discussed with the Ministers of Finance and Public Works, Undersecretary Pereyra and the National Railways the need for sending four or five key counterparts to California to participate in the preparation of the draft final report. The management of the National Railways was very reluctant to have one of its staff go to California and expressed their dissatisfaction with the professional performance and personal behavior of some of the railroad experts. This reluctance may also be partly due to the Consultants' preliminary conclusion that the joining of the two railroad systems, eastern and western, is not presently justified. The President of the National Railways eventually agreed to send one of his staff to California.

10. By resolution of February 14, 1968, signed by the President and key Ministers, the following counterparts were authorized to travel to California (copy sent to Legal Department):

Ing. Nestor Dalenz (Planning)
Ing. Oscar Rios Castro (National Railways)
General Frederico Casanovas (Aeronautics)
Ing. Eduardo Irahola (Roads)

Messrs. Dalenz and Rios will be in California from approximately March 1 - April 15 and the two others from March 15 - April 15.

11. Mr. Dalenz will be in charge of the group though General Casanovas may be the most influential. The four counterparts are among the best Bolivia can produce and it is therefore essential that the Consultants provide all assistance possible to the counterparts and let them review all documents and participate fully in the discussion of all recommendations. The mentioning of such participation by the mission was perhaps the main factor in obtaining agreement from the National Railways to send one of its staff to California.

E. Further Assistance to National Railways

12. The mission discussed with the Minister of Public Works, the National Railways and the UNDP Resident Representative the need for additional technical assistance to the National Railways. Due to the political situation the draft application sent to us by letter of December 21, 1967 has not been submitted to the UNDP. The mission suggested some changes to the application and that it be finalized and submitted to the UNDP Resident Representative as soon as possible with copy to the Bank. The assistance from the UNDP is estimated at approximately \$550,000 and the Government's contribution at approximately \$185,000 (\$50,000 in cash) which will be provided by the National Railways.

F. Present Position of "Planning"

13. By Supreme Decree No. 08250 of February 6, 1968 certain changes in the Government and in the status of "Planning" were formalized (copy of decree sent to Legal Department). "Planning" ceased to be a ministry and became one of three technical secretariats in a newly established "Direccion Nacional de Coordinacion y Planeamiento," (hereinafter referred to as "Direccion"). Minister Bonifaz Ponce of "Planning" became Minister of Mining and Petroleum and Undersecretary Pereyra has submitted his resignation. Former Minister of Economy, Rolando Pardo, was on February 13 appointed Director of the "Direccion" with rank of Minister (copy of newspaper reproduction of decree sent to Legal Department). The mission subsequently met with Director Pardo and informed him about the various points discussed in connection with the Survey.

14. Authorized signatures for the Survey can now be given by either Rolando Pardo or Moises Ramos (letter dated February 14 sent to Treasurer's Department). Because of the recent establishment of the "Direccion" and to aid the Government's relations with the Bank, the Ministers of Finance and Public Works suggested that they receive copies of all future correspondence with the Government concerning the Survey.

G. Miscellaneous

15. Little progress has been made in the selection of candidates for the fellowships. The Minister of Public Works promised to review this and submit the necessary information to the Bank within two to three weeks.

16. Partly because of the political changes, the Government is somewhat behind schedule in its local currency payments to the Consultants. The Consultants' administrative assistant is presently preparing a statement on this point which will then be discussed with the new Director of the "Direccion" and sent to the Bank.

17. The Government expressed a strong preference that the draft final report be discussed at a joint meeting in Bolivia after the Government and the Bank have completed their reviews, but before any comments are given to the Consultants. Such a review meeting is not required by the Plan of Operation nor the Consultants' Contract, but the mission believes this would be very useful in this instance.

18. Certain working papers which the Consultants had left with the counterparts for their review had been circulated to the different entities involved (including the National Railways) without explaining that these were only working papers. The working papers were necessarily incomplete, largely without proper economic analysis and the tone was at times not very diplomatic. This has caused considerable scepticism toward the Consultants. The mission explained that these were only working papers and suggested that judgement on the Consultants' performance be based on the draft final report.

19. The last foreign currency invoices submitted by the Consultants covered the month of September 1967. The mission was, however, informed that the outstanding invoices had been sent to the Government from California on February 12, 1968.

20. The "wet season" data collection program appears to be on schedule and field work will be completed by mid-March.

H. Action to be taken

21. The Amendment to the Plan of Operation should now be finalized and submitted to the UNDP for signature.

22. Arrangements should be made to have airline tickets paid for and subsequently issued to the four counterparts.

23. DMJM should be informed of the qualifications and arrival of the counterparts.

24. DMJM should be informed of the reservations expressed by the National Railways about their work and that the draft final report should be very carefully edited.

25. During his forthcoming economic mission to Bolivia, Mr. Favilla should review the position of "Planning" and "Direccion" in so far as this affects the Survey and the Government local currency payments.

26. Consideration should be given to (a) the usefulness of a visit to the Consultants' offices by Bank staff while the counterparts are there and (b) the Government's desire that the draft final report be discussed in Bolivia prior to the submission of comments to the Consultants.

HHansen:urg
IBRD

Cleared in substance with and cc: Mr. Favilla

cc: Mr. Chadenet
Mr. Bell
Miss Van Gasse
Mr. Sadove
Mr. Lipkowitz
Mr. Piccagli
Mr. Skillings
Mr. R. Jones
Mr. Riley
Mr. Sassoon
Mr. Carmichael
Mr. North
Mr. Parthasarathi
Mr. Regling
Mr. Lind
Miss Maher
Front Office Files
Operational Files
Chronological Files

ROUTING SLIP

Date

February 23, 1968

NAME

ROOM NO.

Mr. Favilla

584

Mr. R. Jones

722

Mr. Riley

841

Mr. Sassoon

811

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

BOLIVIA - Transport Survey

Attached please find a copy of an incoming cable authorizing Hector Ormachea of the Bolivian Embassy to sign the Plan of Operation Amendment.

From H. Hansen (X2665)

C
O
P
Y

INCOMING CABLE

LA PAZ

MI GOBIERNO AUTORIZO HECTOR ORMACHEA ENCARGADO NEGOCIOS ESA
SUSCRIBIR ENMIENDA A CONTRATO ESTUDIO INTEGRAL TRANSPORTES
EN REPRESENTACION BOLIVIA ATTE

PARDON ROJAS

MINISTRO COORDINACION PLANEAMIENTO

MINISTERIO DE RELACIONES EXTERIORES Y CULTO
DEPARTAMENTO DE CLAVES

Depto. G.S.

Vía WEST COAST

La Paz, 13 de Febrero de 1968

Dirigido a EMBOLIVIA

WASHINGTON

No. 33.-

Encarezco usted suscribir brevedad posible convenio adicional de donación dólares cien mil de Banco Mundial para estudio integral de transportes STOP Favor informar.

RELACIONES



aig.

La Paz, 14 de Febrero de 1968

VISTOS Y CONSIDERANDO: Que el Fondo Especial de las N.U.U. (Naciones Unidas) asignó la cantidad de \$US.6.700.-- para el viaje de cuatro técnicos a California (E.E.UU. de N.A.) a fin de colaborar en la elaboración final del estudio integral sobre transportes en Bolivia;

Que los técnicos, Ingenieros Néstor Dalenz, Oscar Ríos Castro, Eduardo Irahola y General Federico Casanovas, han trabajado con la firma DMJM encargada de la ejecución y estudio integral de transportes y están familiarizados con la materia, antecedente que los capacita para prestar su más amplia cooperación en lo referido;

Por tanto,

S E R E S U E L V E:

Art. 1º Autorízase el viaje de los técnicos que se mencionan a continuación para viajar a California por cuenta del fondo especial de Naciones Unidas, con la finalidad de cooperar en la preparación final del informe sobre transportes en Bolivia, realizado por la firma DMJM.

Ing. Néstor Dalenz	Marzo 1	-	Abril 15
Ing. Oscar Ríos Castro	Marzo 1	-	Abril 15
Gral. Federico Casanovas	Marzo 15	-	Abril 15
Ing. Eduardo Irahola	Marzo 15	-	Abril 15

Art. 2º La labor de los técnicos nombrados deberá limitarse a cooperar en la preparación final del informe mencionado sin facultad para adoptar decisiones sobre el fondo del mismo, las que corresponde adoptar al Supremo Gobierno. El Ing. Néstor Dalenz será el Jefe y Coordinador de la Misión.

Regístrese.

FDO. GRAL. RENE BARRIENTOS ORTUNO

Fdo. Jose Romero Loza

Fdo. Gustavo Mendez T.

Fdo. Marcelo Galindo de Ugarte.



DECRETO SUPREMO N° 08250

GRAL. RENE BARRIENTOS ORTUÑO
Presidente Constitucional de la República

CONSIDERANDO:

Que los miembros del Gabinete designados mediante Decreto Supremo N° 08061 de 4 de agosto de 1967, han presentado renuncia de sus cargos en nota de 30 de enero de 1968; la cual fué aceptada en 1° de febrero de 1968;

Que es preciso proceder a la designación de estos altos dignatarios de Estado a fin de no entorpecer las labores de la administración pública;

Que la modalidad dinámica del desarrollo hace imprescindible reajustar el mecanismo administrativo del Estado, adecuándolo a las necesidades del proceso revolucionario que vive el país.

D E C R E T A :

Artículo 1°.- Designase Ministros de Estado en las Carteras que a continuación se detallan, a los siguientes ciudadanos:

Tomás Guillermo Elío
Antonio Arguedas Mendieta
Enrique Gallardo Ballesteros
José Romero Loza
Hugo Carmona Maldonado
Gustavo Méndez Torrico
Miguel Bonifaz Ponce
Alberto Larrea Humerez
Lucio Paz Rivero
Jesús Lijerón Rodríguez
Juan Asbún Sugby
Jorge Solíz Román
Marcelo Galindo de Urgarte
Juan Lechín Suárez
Mario Estenssoro Vasquez

Relaciones Exteriores y Culto
Gobierno, Justicia e Inmigración
Defensa Nacional
Hacienda
Educación
Obras Públicas y Comunicaciones
Minas y Petróleo
Economía Nacional
Agricultura
Trabajo y Seguridad Social
Salud Pública
Asuntos Campesinos
Secretaría Gral. de la Presidencia
Presidencia de Comibol
Cultura, Información y Turismo

Rolando Pardo Rojas

Director NACIONAL
de COORDINACION
y PLANEAMIENTO.

Artículo 2°.- Dependientes de la Presidencia de la República funcionarán las siguientes Secretarías Técnicas:

Secretaría Técnica de Planificación

Secretaría Técnica de Presupuesto

Secretaría Técnica de Administración

Artículo 3°.- Los señores Secretarios Técnicos serán designados mediante Decreto Supremo especial con fecha posterior.

Artículo 4°.- La organización de las diversas Secretarías se la hará de acuerdo al siguiente procedimiento:

- a) La Secretaría Técnica de Planificación se conformará en base a la actual Secretaría de Planificación, la cual pasa a depender de inmediato de la Presidencia de la República, su organización se complementará con la Dirección Nacional de Estadística y Censos y el Censo Nacional, dependencias que serán asimismo transferidas de inmediato a la Presidencia de la República.
- b) La Secretaría Técnica de Presupuesto se incorporará a la Presidencia de la República, una vez que el Ministerio de Hacienda haya concluido la implementación de los sistemas de Contabilidad Central y Tesoro Nacional.
- c) La Secretaría Técnica de Administración se organizará en base a la Dirección Nacional de Servicio Civil y el Instituto Superior de Administración Pública, que de inmediato pasan a depender de la Presidencia de la República. Su organización será complementada con una Oficina de Racionalización de Leyes Administrativas.
- d) La Dirección Técnica de Racionalización Administrativa (Organización y Métodos) actualmente dependiente de la Dirección Nacional de Servicio Civil, pasa a formar parte de la Dirección General de Presupuestos y Tesoro.

Artículo 5°.- Se encomienda al Ministerio de Hacienda disponer los trasposos de las partidas incluidas en el Presupuesto de 1968, para las reparticiones que en virtud del presente Decreto cambian de jurisdicción.

Ratifícase la validez de los compromisos y convenios suscritos con organismos internacionales, relativos a las dependencias que, por disposición del presente Decreto, son trasladadas a la Presidencia de la República, la cual asume la responsabilidad de los mismos.

Artículo 6°.- En el plazo de 90 días, posteriores a su incorporación a la Presidencia de la República, las Secretarías nombradas en el presente Decreto presentarán, para su aprobación, sus respectivos Estatutos Orgánicos.

Artículo 7°.- Los señores Ministro de Estado designados mediante el presente Decreto jurarán y tomarán posesión de sus cargos el día siete de febrero de 1968, a horas 0.1

Es dado en el Palacio de Gobierno de la ciudad de La Paz a los siete días del mes de febrero de mil novecientos sesenta y ocho años.

Fdo. Gral. René Barrientos Ortuño

Ejecutivo creó la Dirección N.º. de Coordinación y Planeamiento

Rolando Pardo fue posesionado como Director de ese organismo.

PRESENCIA 14 DE FEBRERO 1968

Dentro del proceso de reforma administrativa, emprendida por el Gobierno, ayer fue creada la Dirección Nacional de Coordinación y Planeamiento.

Simultáneamente el Director, Rolando Pardo, ex-Ministro de Economía, fue posesionado ayer tarde por el Presidente de la República, General René Barrientos. La mencionada Dirección tiene rango de Ministerio y tendrá a su cargo, según explica el Decreto "la coordinación y planeamiento de las funciones de las tres Secretarías Técnicas de Planificación, de Presupuesto y de Administración, así como otras funciones de coordinación del trabajo de las distintas secretarías de Estado y entidades descentralizadas con la Presidencia de la República.

BASE DEL DESARROLLO

El Jefe de Estado, durante la ceremonia de posesión de Rolando Pardo como Director Nacional de Coordinación y Planeamiento, dijo que el nuevo organismo ha sido creado con el objetivo de romper las viejas estructuras administrativas, que significan graves obstáculos para el desarrollo nacional.

Expresó que la base del desarrollo es "producto de la mejor

administración pública. "Por ello estamos empeñados en la reorganización de la administración", dijo.

Anotó que el ex-Ministro de Economía, Rolando Pardo, es el personaje adecuado "para llevar adelante la modernización de la estructura administrativa."

Dijo que el país necesita desarrollarse y que para ello es necesario explotar nuestras riquezas. Hablo de la riqueza gasífera. Indicó que actualmente sólo se explota el 10% y que para la explotación del 90% se necesita una inversión de tres mil millones de dólares.

También se refirió a la necesidad de propender al establecimiento de la justicia social. Aseguró que su Gobierno sentará las bases.

Por su parte, Rolando Pardo agradeció el nombramiento, manifestando que Barrientos está llevando a cabo "una política audaz y patriótica de desarrollo económico y social".

"Es un honor cooperarlo y trabajar junto a Ud. en llevar adelan-

te la alta política de desarrollo. Prometo ser leal y cumplir las labores encomendadas con tenacidad y entusiasmo", dijo a tiempo de jurar el nuevo cargo.

EL DECRETO

El texto del importante Decreto Supremo es el siguiente:

GENERAL DE FUERZA AEREA
RENE BARRIENTOS ORTUÑO, -
PRESIDENTE CONSTITUCIONAL
DE LA REPUBLICA.

CONSIDERANDO:

Que el dinamismo con que se producen los cambios políticos, económicos y técnicos, ha impuesto la necesidad de introducir una creciente racionalidad, a través de medidas y mecanismos que permitan promover y controlar dichas transformaciones, para orientarlas coordinadamente hacia objetivos explícitamente señalados en función nacional de desarrollo e integración;

Que la política de desarrollo e integración que sostiene en forma de la República, que tendrá a su sistemática el Supremo Gobierno cargo la coordinación y planeamiento de las funciones de las tres estructuras económicas, políticas, Secretarías Técnicas de Planificación e institucionales y la más estrecha interrelación de los mismos ministración, así como otras funciones por medio de mecanismos y planes de coordinación del trabajo altamente operativos, que contemplan las posibilidades reales del país y la urgencia de incorporar con la Presidencia de la República sus instituciones, a una acción más ca-

dinámica, eficiente y coordinada, ARTICULO SEGUNDO. Designa acorde con la política actual, a fin de evitar la dispersión de recursos nacionales y alcanzar un progreso más orgánico, sostenido y planificado, de desarrollo, que garantice el progreso del país, y nuestra participación más activa en la integración que encara América Latina a fin de conseguir el mejoramiento de las condiciones de vida del pueblo en los más breves plazos;

Que el Estado moderno es el más importante factor para el desarrollo y la integración, y que en las condiciones actuales en que se encuentra Bolivia, es necesario perfeccionar constantemente los métodos de trabajo y sus sistemas administrativos para proporcionar a las funciones del Gobierno Central y las entidades descentralizadas, mayores niveles de eficiencia dinamismo y coordinación que les permita ponerse a tono con el grado de implementación exigido por los avances de la moderna organización estatal;

Que para el cumplimiento de estas importantes finalidades, es imprescindible la creación de un organismo nacional, que tenga a su cargo la coordinación de la labor de las Secretarías Técnicas de Planificación, de Presupuesto y de Administración, creadas mediante Decreto Supremo No. 08250 de 7 de febrero del presente año, así como otras funciones de coordinación del trabajo de las distintas Secretarías de Estado y entidades descentralizadas, dependiente directamente de la Presidencia de la República.

En Consejo de Ministros:

DECRETA:

ARTICULO PRIMERO. Créase la Dirección Nacional de Coordinación y Planeamiento, dependiente

de la Presidencia de la República, con rango de Ministro de Estado, al ciudadano Rolando Pardo Rojas, debiendo espartir el Consejo de Ministros, del Consejo de Estabilización y Desarrollo y del Consejo Nacional de Petroquímica.

ARTICULO TERCERO. Transfírese el actual Presupuesto de la Secretaría Nacional de Planificación al Presupuesto de la Dirección Nacional de Coordinación y Planeamiento de la Presidencia de la República.

ARTICULO CUARTO. En el término de 120 días a partir de la fecha del presente Decreto, la Dirección Nacional de Coordinación y Planeamiento someterá a consideración del Poder Ejecutivo su respectivo proyecto de Estatuto Orgánico para su correspondiente aprobación.

Es dado en el Palacio de Gobierno de la ciudad de La Paz, a los 13 días del mes de febrero de mil novecientos sesenta y ocho años.



Rolando Pardo, ex-Ministro de Economía, jura el nuevo cargo de Director Nacional de Coordinación y Planeamiento, dependiente de la Presidencia de la República. Pardo, en las nuevas funciones, tiene rango de ministro.



PRESIDENCIA DE LA REPUBLICA
SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA
TELEFONOS 22243 - 20224 - 28733

CAJON POSTAL 3110
CABLES "SEDEPLA"

226-68

14 de febrero de 1968.

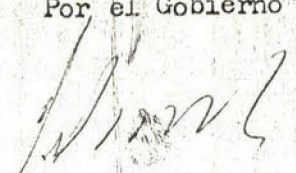
Al señor

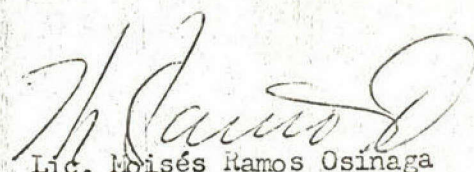
Joseph Fajans
Banco Internacional de Reconstrucción y Fomento
Washington D.C.

Señor:

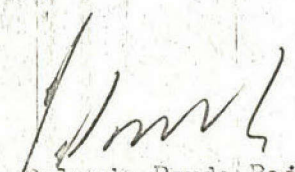
Me es grato dirigirme a usted con objeto de informarle que debido al cambio operado en la estructura de la Secretaría Nacional de Planificación y Coordinación, este organismo estatal ha pasado a depender de la "Dirección Nacional de Coordinación y Planeamiento" de la Presidencia de la República, por lo que las firmas autorizadas a los efectos del Contrato del Estudio Integral de los Transportes, a partir de la fecha son:

Por el Gobierno de Bolivia:


Dr. Rolando Pardo Rojas
Ministro Director Nacional
de Coordinación y Planeamiento


Lic. Moisés Ramos Osinaga
Secretario Técnico de Coordinación y Planeamiento.

Sea propicia esta oportunidad para saludar a usted con mi consideración más distinguida.


Rolando Pardo Rojas
Ministro Director Nacional
de Coordinación y Planeamiento

BOL. 15

Feb. 27 Spoke w/ Ambrozek
on UNDP.

↑
to

They hope to get a letter
to us very shortly agreeing
to amended plans p.

No objections whatever is
on going ahead +
arranging travel for
Bolivian counterparts to
come to U.S. UNDP
has already agreed to
the expenditure, in any
case.



DP/SF/310/BOL 15

February 15, 1968

Mr. Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations,
Evaluation and Reports
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Coomaraswamy:

Subject: Bolivia Transport Survey

I am enclosing four copies of the Quarterly Progress Report, 1967-1968, prepared by Daniel, Mann, Johnson & Mendenhall, Stanford Research Institute, and Alan M. Voorhees & Associates, Inc.

Please let us know if you have any comments on the report.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosures

VJRiley:cbh

cc: Mr. Hansen

BOL 15

February 13, 1968

Mr. Roberto M. Heurtematte
Associate Administrator
Office of the Administrator
and Co-Administrator
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Heurtematte:

We should like to refer to your letter of November 28, 1967 relating to investment follow-up on a number of projects for which the Bank is the executing agency. We regret that it has not been possible to reply to your letter sooner. We hope that the following information and comments will be helpful to you in your review:

Guinea - Highway Feasibility Studies - GUI 13.

The studies are not yet completed but it does appear unlikely that they will produce a project which would be suitable for financing by the Bank group. In the Inception Report, the consultants have stressed the lack of reliable statistics in Guinea and have concluded that the quality of the available data will only allow a very approximate approach to the problem. It is therefore doubtful whether the Bank would be willing to finance any project based on information that is so questionable.

There are also one or two facts in the Bank's Economic Report on Guinea, dated June 1967, which might be relevant: (a) the traffic density in the Upper Guinea and forest regions is so low that even engineered laterite roads would not be economically justified; and (b) it appears that Guinea is following a policy of over-investment in the physical structure of its road network.

The only foreseeable profit which Guinea might make from the UNDP project lies in the recommendations the project will provide regarding the operation of the Government departments responsible for transportation and road maintenance. If these recommendations are acceptable and are implemented, investment might be envisaged in the transport infrastructure, but this, in any case, is a long-range view.

✓ Bolivia - Integrated Transport Survey - BOL 15.

This project has been confronted by a number of problems including a lack of data and difficulty on the part of the Government in providing funds and facilities. We would prefer not to offer any comments on potential investment possibilities until the consultant's report on the project nears completion, possibly by June of this year.

Somalia - Highway Development Programme - SOM 8.

Only a part of this project has so far been completed. This includes (a) highway feasibility studies, (b) transport investment study, and (c) a scope and procedure report for a future comprehensive transport study. Reports on all three studies have been sent to the UNDP and the Government and the Bank has submitted its evaluation of the first two to the UNDP and the Government. The Bank has not yet completed its evaluation of the third-mentioned study.

The last IDA credit for roads in Somalia was approved in March 1965. This is a credit of \$6.2 million to be applied to the construction costs of a road from Afgoi to Baidea. FED is also participating in the financing of these construction costs. The IDA credit does not include an allocation for feasibility studies. The two roads in the north to which you refer in your letter are presumably the Berbera-Hargeisa and Berbera-Burao roads which are, in fact, included in the feasibility studies financed by the UNDP. We are enclosing a copy of the press release issued on March 29, 1965 which we believe will clarify the situation. We also enclose a copy of our letter of January 30 to Mr. Cohen which provides information on the investment possibilities for the Berbera-Hargeisa and Berbera-Burao roads.

Nigeria - Road Development Survey in Northern Nigeria - NIR 23.

Comments on this project have been delayed because of the hostilities which developed within the country. We are currently preparing the project documents and we would hope that it will be possible to commence the project within the next two or three months. We feel that it would be premature at this stage to comment on the prospects for investment follow-up.

Brazil - Transport Survey - BRA 29.

Phase II includes a number of specific feasibility studies for roads in the states covered by the Survey. These feasibility studies were included to provide at the conclusion of the Survey a number of projects suitable for Bank financing, provided that the necessary project and sector conditions are met. Pending the conclusion of the Survey, it would not be feasible to forecast the extent of Bank financing and the particular conditions to be met for this financing.

We should like to point out that, following the conclusion of Phase I of the Survey, which was financed by the Bank and Brazil, the Bank is considering the financing of highway projects in Brazil and has indicated to the Government that it would be prepared to lend for projects in other areas in the transportation sector if progress is made in the implementation of the recommendations of the Survey and in a reform of the transportation sector.

Pakistan-Telecommunications Survey - PAK 21.

The final report from the consultants is expected in April. We would prefer to await the receipt of this report before providing you with information on investment prospects for this project.

Surinam - Transportation Study - NET 2.

The final report for this project is expected shortly. From what we know now, the transportation investments which are likely to be recommended are primarily related to the export of bauxite and alumina and consist of improvements of the lower reaches of the Surinam and Corantijn rivers by dredging and the construction of a 200-km railroad from the Bakhuis mountains to a point at the mouth of the Corantijn river, where port facilities would be constructed.

Improvements in the Surinam river would be designed to facilitate access to the bauxite refinery and the alumina reduction plant at Paranam, but would at the same time benefit the general-cargo traffic to the Port of Paramaribo, which is downstream of Paranam.

The construction of a 200-km railroad from the Bakhuis mountains to the mouth of the Corantijn river and the related port facilities and channel improvements would form part of a large proposed bauxite mining development in the Bakhuis Mountains. The development now under consideration would require other large investments, notably investments in hydroelectric power for reduction of part of the alumina production. There appears to be considerable interest in this plan on the part of a consortium of major aluminum companies.

As we are still awaiting the final report, we cannot, at this stage, determine whether any of these possibilities would merit consideration by the Bank group. It would seem, however, that the bulk of the financing required could probably be provided by the aluminum companies and by the Dutch Government on a bilateral basis. The Bank's attitude towards lending to Surinam in general is that Surinam's creditworthiness for Bank loans without a Dutch Government guarantee is limited.

Nicaragua - Highway and Port Survey on the Southern Atlantic Coast - NIC 6.

Until the final report is received and reviewed, it is not possible for us to say whether the traffic forecasts are sufficiently firm and whether the traffic level envisaged is sufficiently high to justify construction of the port.

We have been requested to send a project mission to identify possible banana, livestock and fisheries development projects in the area which would be served by the proposed new port. We are awaiting further information before deciding on the next steps which should be taken and we shall, in any case, coordinate any projects which might arise with the port project.

We are attaching a copy of a letter dated February 9 which we have sent to Mr. Coomaraswamy and which will also be of interest to you in the light of potential investment possibilities.

Ghana - Studies of Two Trunk Roads - GHA 23.

If the feasibility studies of these two roads are favorable, it is likely that the Bank Group would consider participating in the financing of the road construction. Detailed engineering studies would, of course, be

Mr. Roberto M. Heurtematte

-4-

February 13, 1968

required before construction, and financing for these studies would also have to be considered. The countries participating in the Ghana aid meetings have been kept informed of the status of this project.

Sierra Leone - Land Transport Survey - SIL 6.

The Bank Group is, in principle, interested in participating in some degree in the financing of the four roads which have been identified by this project. We also understand there is some possibility of bilateral aid. Feasibility studies and preliminary engineering are now being carried out for these four roads. It is hoped that detailed engineering can be done later this year for at least one of the roads, probably the rural section of the Freetown - Waterloo road.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosures: As stated

EPowell/pme

cc: Messrs. Wiese
Goodman
Richardson
Masoni
Payen
Kruithof
Horsley
Favilla

Note: African items cleared with Mr. Rivkin

DP/310/BOL 15

February 9, 1968

Mr. Myer Cohen
Assistant Administrator and Director
Bureau of Operations and Programming
United Nations Development Programme
United Nations, New York 10017-

Dear Mr. Cohen:

Subject: Bolivia Integrated Transport Survey

Attached are three copies of a draft amendment to the Plan of Operation on the above project. This amendment is intended to incorporate the changes in this project and the increase in the UNDP allocation therefor as approved in your letters of January 25 and December 15.

You will note that the total allocation by the Special Fund has been increased by \$113,700. This is made up as follows:

Dry season data study.....	\$ 15,000
Extension of assignment of railway accounts and statistics expert.....	47,000
Work of counterpart personnel in the consultant's home office.....	6,700
Additional "wet season" highway traffic data program.....	43,000
Executing agency overhead costs.....	<u>2,000</u>
TOTAL	\$113,700

The only change in the government's contribution reflected in this document is an increase of \$6,600 in the cash disbursements to consultants. This relates to the extension of the assignment of the railway accounts and statistics expert. As I advised Mr. Shields yesterday, two members of the Bank staff will be in Bolivia next week and will discuss with the government the need, if any, to increase the government's valuation of the services which the government is providing in kind, in light of the fact that the program has been somewhat enlarged.

Mr. Myer Cohen

2

February 9, 1968

I should note two formal differences between the figures given above and those set out in your letter of December 15. Both of these were discussed with Mr. Maggs by telephone on December 21. These are the use of the figure of \$47,000 for the railway expert, rather than the "approximate cost of \$45,000" given in your letter, and also the increase from \$6,000 to \$8,000 in the Executing Agency overhead costs.

We trust you will find this amendment acceptable; and upon receiving your advice to that effect, we will make arrangements for its signature by all parties concerned.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosures

VJRiley:cbh

cc: Mr. Hansen
Mr. Jones
Mr. Sassoon
Mr. Skillings

UNDEVPRO
LA PAZ

FEBRUARY 8, 1968

BOLIVIA

STAFF MEMBERS FAVILLA AND HANSEN ARRIVING LA PAZ 10 FEBRUARY TO
DISCUSS WITH GOVERNMENT AMENDMENTS TO CONTRACT AND PLANOP BOLIVIA
TRANSPORT SURVEY STOP WILL CONTACT YOU AFTER ARRIVAL

RILEY

INTBAFRAD

Vincent J. Riley
Development Services

A. J. Favilla, WHD
H. Hansen, Projects Dept.

que feb

Mr. Alberto J. Favilla

February 7, 1968

Roger Chaufournier

BOLIVIA - Terms of Reference for Mission

1. You will proceed to La Paz on February 9 for a stay of about one week, to join Mr. Hansen of Projects Department, in the discussions with the Government to amend the contract with the consultants and the Plan of Operation for the transport survey.
2. You will devote special attention to the following subjects:
 - (i) Seek that the two parties reach agreement and sign the contract amendment;
 - (ii) Discuss with the Government the amendment to the Plan of Operation;
 - (iii) Discuss with the Government the travel of selected counterparts to California to assist in the preparation of the draft final report.
 - (iv) Discuss with the Government and the UNDP's Resident Representative the status of the Government's application to the UNDP for further railroad assistance.
3. You will report any major developments by cable, and on your return, you will report on all your findings.

Cleared with and cc: Mr. Hansen
cc. Messrs. J.H. Williams
Riley
Sassoon
B. Jones
AJFavilla:mdk

W. Riley

Mr. Warren C. Baum

February 6, 1968

Peter Engelmann

BOLIVIA - Transport Survey

Further to my memorandum of January 29, 1968, Mr. Isgrig of Daniel, Mann, Johnson & Mendenhall called yesterday to let us know that Contract Amendment No. 1 for the Bolivia Survey has been mailed and should reach us today, February 6. He also informed me that Mr. Walsh will be leaving for La Paz on February 6 for a stay of seven to ten days and that he would be hand-carrying the English and Spanish version of the contract amendment for discussion with the Government.

The contract amendment should be reviewed within the Bank as soon as possible. At the same time the Plan of Operation should be finalized and cleared with the UNDP, if possible over the telephone.

I would recommend that a Bank mission consisting of Messrs. A. J. Favilla and H. Hansen visit La Paz during the week of February 12. The purpose of the mission would be to:

- (1) Discuss any comments we have on Contract Amendment No. 1 with the Government and Mr. Walsh and use our influence in getting the amendment signed.
- (2) Discuss the Plan of Operation amendment with the Government and obtain the Government's signature thereon.
- (3) Discuss with the Government and Mr. Walsh the travel of selected counterparts to California to assist in the preparation of the Draft Final Report.
- (4) Discuss with the Government and the UNDP Resident Representative the status of the Government's Application to the UNDP for further railroad assistance.
- (5) Discuss with the Government and the UNDP Resident Representative the progress and procedures for selecting fellowship candidates.
- (6) Obtain the Government's signature on the consultants' outstanding foreign currency invoices.
- (7) Check on the progress of the "wet season" data collection program.

PEngelmann/HHansen:urg
IBRD

cc: Mr. Skillings, Mr. Favilla, Mr. R. Jones, Mr. Riley, Mr. Sassoon, Mr. North, Mr. Parthasarathi, Mr. Regling

*Sety
our file
Bolivia 75/1*

INCOMING CABLE

FEBRUARY 5, 1968

ITT 5 / 6

Action Copy: Mr. Skillings

FAVILLA INTBAFRAD

Information

Copy: Mr. Alter

LA PAZ

27 ESPERAMOS LLEGADA DONALD WALSH GERENTE PROYECTO TRANSPORTE FIN CUBRIR
FASE DISCUSION PRELIMINAR DOCUMENTO. POSTERIORMENTE ACORDARASE CONSTITU-
CION GRUPO CONTRAPARTES VIAJARIA CALIFORNIA. POR CORREO ENVIO BIRF
DIMJIM COPIAS CONTRATO PROGRAMA ESTACION LLUVIOS ATTE

PEREYRA SEDEPLA

① ~~VJC~~
② File - Bolivia
Tpr.

MINISTER BONIFAZ PONCE

FEBRUARY 1, 1968

SEDEPLA

IBF GOVT.

LA PAZ

BOLIVIA

RE BOLIVIA TRANSPORT SURVEY PLEASED TO INFORM YOU UNDP APPROVED
REQUEST CONTAINED URLET 2190-67 FOR UP TO \$25,000 FOR LOCAL CURRENCY
EXPENDITURES INCURRED ON DRY SEASON DATA COLLECTION STOP STILL AWAITING
REPLY TO MY CABLE OF JANUARY 17 ON COUNTERPART TRAVEL TO CALIFORNIA STOP
DRAFT AMENDMENT PLAN OF OPERATION BEING CLEARED WITH UNDP AND WILL BE
FORWARDED TO YOU SHORTLY REGARDS

PAVILLA

INTRAFRAG

Alberto J. Favilla

Western Hemisphere Department

Cleared with Messrs. Skillings
Hansen

B. Jones

Miss Powell ✓

cc. Mr. Sassoon o/r

AJFavilla:mdk



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 02/01/1968	Document Type Letter			
Correspondents / Participants To: Files From: Alberto Favilla, IBRD				
Subject / Title Integrated Transport Survey				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

Files

Alberto J. Favilla

BOLIVIA - Railways

~~in file~~
our file Bol. TSP
February 1, 1968

"El Diario" of January 19, 1968, reports that Mr. Gustavo Mende, Torrico, Secretary General of the Latin American Railroad Association, said at a meeting with President Barrientos that he (Mr. Torrico) considers the inter-connection of the eastern and western railroads of vital importance to the economic development of Bolivia. The inter-connection would permit to join the Atlantic and Pacific Oceans, that is Santos (Brazil) and Arica (Chile), and the international lending agencies should give favorable consideration to the Bolivian desire of annexing the two systems. We are aware that the consultants, engaged in the transport study, are not in favor of joining the two systems.

cc. Messrs. Skillings
Engelmann/Hansen
Regling
Riley ✓
North
Parthasarathi

AJFavilla:mdk

DP/SF/310 BOL 15

February 1, 1968

Mr. Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations,
Evaluation and Reports
United Nations Development Programme
United Nations, New York 10017

Dear Mr. Coomaraswamy:

Integrated Transport Survey in Bolivia

We are enclosing four copies of Statistical Supplement No. 2,
covering the period July 1 to December 31, 1967, which has been prepared
by the consultants.

Sincerely yours,

Eileen Powell
Development Services Department

Enclosures: As stated

EPowell/pme

cc: Mr. H. Hansen

~~H. Riley~~
~~James Powell~~
File

January 31, 1968

Mr. F. E. Isgrig
International Operations
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California
90005

Re: BOLIVIA - Transport Survey

Dear Mr. Isgrig:

This will acknowledge your letter dated January 25, 1968 and the attached four copies of Progress Report No. 2 and your Statistical Supplement No. 2.

As we have mentioned earlier we have to send four copies of the reports to the UNDP and that we therefore need eight copies of your progress reports. Would you therefore send us four additional copies of Progress Report No. 2.

Sincerely yours,

Warren C. Baum
Assistant Director - Projects Department
in charge of Transportation

cc: Mr. Rolando Pereyra Mendez
Subsecretario de Planificacion
y Coordinacion
Casilla 3116
La Paz, Bolivia

cc: Mr. Favilla, Mr. R. Jones, Mr. Riley, Mr. Sassoon
Mr. North, Mr. Parthasarathi, Mr. Regling (with copies for review)

HHansen:urg
IBRD

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310/BOL 15
DP/SF/214/BOL 15

25 January 1968

Dear Dick,

Subject: Integrated Transport Survey - BOL 15

I wish to refer to Mr. Riley's letter of 4 January 1968 which raised again the question of our retroactive approval of \$15,000 as an increase in the allocation for this project under the component for sub-contracts.

You will recall that our previous letter on this matter, dated 15 December 1967, suggested that in our view this matter should be settled between the Consultants and the Government of Bolivia. This was based on the fact that the contract was between these two parties and clearly specified that any additional work to be done by the Consultants involving reimbursement for local currency costs should be "subject to prior authorization by the Government".

The Plan of Operation assumed that basic statistical data on the flow of traffic already existed in the files of the Government. It would appear that after their first two months in Bolivia, the Consultants found that the traffic data - particularly data relating to the highways - was not adequate for the purpose of their survey and recommendations. By letter of 10 May 1967, countersigned by the Government, the Consultants notified the Bank that a programme of additional data collection was, in their view, essential. The letter indicated that the Government was in agreement with the additional data collection programme but was not prepared to increase its local currency reimbursement beyond the level of \$110,000 specified in the contract. The Consultants requested that additional funds be provided by the Bank for the purpose. While we are still not aware of the Bank's reply to the 10 May 1967 letter, IBRD apparently had some doubts as to the need for the additional work, hence the IBRD mission to Bolivia to investigate the matter on 26 June 1967, and did not at that point authorize the commencement of the additional work.

/...

Mr. Richard H. Demuth
Director of Development Services
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433.



- 2 -

We are now informed that the additional data collection was in fact accomplished during the months of May, June and July of 1967. It would appear from the information available to us that neither UNDP, IBRD, nor the Government of Bolivia had given advance authorization to the Consultants to proceed. Therefore, on purely legal grounds, there is no obligation that the Consultants be reimbursed for the extra costs incurred in the additional data collection programme.

On the other hand, even though the results of the Bank mission of 26 June 1967 were not communicated to UNDP, you apparently were then convinced of the necessity for the additional work. The mission, however, believed that the work could be accomplished within the original contract terms. This did not prove to be the case. I suspect, however, that, if a request had been made to UNDP at that time, approval would have been given for the additional work and if necessary an increase - either current or contingent - in the project allocation would have been agreed. I must point out, however, that consultation at an earlier point would have opened to UNDP the possibility of negotiating with the Government at least a sharing of the additional local currency costs.

In the light of the circumstances described above and those contained in your letters to us on the subject, UNDP is even now, as an exceptional measure, prepared to authorize an increase of \$15,000 in the project allocations which, we understand, will be payable to the Consultants in local currency. An Adjustment Advice should be prepared to reflect this decision.

Sincerely Yours,

A handwritten signature in dark ink, appearing to be 'Myer Cohen', with a long horizontal line extending to the right.

Myer Cohen
Assistant Administrator
and
Director, Bureau of Operations and Programming

cc: Messrs. Engelmann/Hansen
Skillings/Favilla
Sassoon
Reamy
Development Services Dept.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. Warren C. Baum
DATE: January 29, 1968
FROM: Peter Engelmann
SUBJECT: BOLIVIA - Transport Survey
Discussions with Consultants on Contract Budget
Back-to-Office and Full Report

On January 26, 1968 I attended a meeting in the offices of Daniel, Mann, Johnson and Mendenhall (DMJM) in Los Angeles, to discuss budget problems that had arisen in connection with the above named Survey. The meeting was also attended by four representatives of Stanford Research Institute (SRI) and two representatives of A. M. Vorhees & Associates (AMVA), subcontractors to DMJM for this project.

Background

Correspondence and discussions in the last three months with the Government of Bolivia, the UNDP, and DMJM had resulted in general agreement on a change in the work program for this Survey. Instead of the team completing the Draft Final Report in Bolivia, as originally intended, all staff would return to the United States in the second half of December 1967. Except for visits by the project manager and by a small group engaged in the "Wet Season Traffic Survey," the team would not return to Bolivia in the last three months of the project (January through March 1968); four or five Bolivian counterparts would join the consultants in California during this period. There had also been tentative agreement on an extension of one year for the advisory services of one railroad economist on the team and on an increase in the UNDP contribution, from US\$785,000 to US\$875,000.

These changes were to be implemented by Amendment No.1 to the consultants' contract with the Government. A draft of this amendment had been circulated to the Working Party in December but had not been cleared, because several issues remained to be resolved with the Government and the UNDP.

Present Situation

Last week DMJM advised the Bank by telephone that a review of their work program with SRI and AMVA, after the return of the entire team from Bolivia, had established the need for a further increase in the foreign currency contract ceiling, from US\$875,000 to US\$975,000. The proposed increases were to be primarily in the following categories:

January 29, 1968

<u>Home Office Personnel</u>	<u>From(*)</u>	<u>To</u>
DMJM: Man-Days	692	1,130
Cost (US\$)	74,000	110,000
 SRI : Man-Days	 578	 853
Cost (US\$)	91,000	125,000
 AMVA: Man-Days	 337	 519
Cost (US\$)	40,000	57,000
 <u>Travel Expense</u>	 60,000	 67,000

DMJM was informed by the Bank that additional funds for this project, beyond those tentatively approved for Amendment No.1 to the contract, are not likely to be available from the UNDP and that the Survey would have to be completed in accordance with the terms of reference, without further increases in cost. As a substantial portion of the requested increase originated with SRI and AMVA, it was agreed to discuss this matter with the entire group at the scheduled meeting in Los Angeles January 26, 1968.

The first part of the meeting consisted of a recitation of all the difficulties that had been encountered by the consultants in Bolivia; these consisted primarily of:

- (a) Unavailability of a reasonable amount of reliable data on nearly anything (traffic, costs, agricultural production, etc.).
- (b) Inadequate performance by the Government supporting staff.
- (c) Distrust and lack of cooperation by various Government agencies.

It was explained that these conditions have resulted in the need to develop basic information by the consultants while in Bolivia. Consequently the amount of work that now remains to be done in the home office, including data processing, is larger than originally contemplated.

(*) Approximate figures included in the December 1967 draft of Amendment No.1 to the consultants' contract.

January 29, 1968

In view of these conditions the consultants requested that the budget be increased and that the time for completion of the Draft Final Report be extended. The contract now calls for completion of the Draft Final Report by April 10 and the consultants had scheduled submittal of the Draft in English by March 15. They now suggest that the submittal date for the Draft in English and Spanish be extended to May 15.

During the second part of the meeting, I explained that these conditions were not entirely unforeseen and that, in addition, increases in the budget have been approved by the UNDP and the Bank for additional data collection and processing. I further explained that the present shortage of funds in the UNDP would make it practically impossible to obtain an increase in the budget for this Survey beyond the figures already approved, with the possible exception of reimbursement of local costs of the "Dry Season Data Collection," for which US\$15,000 equivalent had been requested by the Government and the Bank (Notice of approval by the UNDP of this additional amount was received by telephone before the end of the meeting). I stated that an extension of time to May 15, 1968, would be acceptable to the Bank, if there is no further increase in cost.

The consultants inquired whether there would be a possibility at a later stage to submit a request for reimbursement of additional costs incurred in connection with the completion of the project. I advised them that it was most unlikely that any future request would meet with approval by the UNDP or the Bank and I requested that the consultants complete the services, in accordance with the contract, within the funds now allocated.

The representatives of DMJM, SRI, and AMVA agreed to proceed with the work in accordance with the revised work program and to complete the project within the present budget allocation.

Conclusions

There will be no increase in the foreign and local currency costs reimbursable by the UNDP beyond the amounts now approved (US\$875,000 + US\$15,000 = US\$890,000).

The consultants will prepare a revised version of draft Amendment No.1 to the contract, which will be submitted to the Government by the project manager during his visit to Bolivia this week; copies of the draft will be mailed simultaneously to the Bank for comment.

PEngelmann:vbr
IBRD

cc: Mr. Chadenet, Mr. Bell, Miss Van Gasse, Mr. Sadove, Mr. Lipkowitz, Mr. Piccagli, Mr. Lind, Miss Maher, Mr. Favilla, Mr. Riley, Mr. R. Jones, Mr. Sassoon, Mr. North, Mr. Parthasarathi, Mr. Regling, Operational Files, Chronological Files, Front Office Files.

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

January 25, 1968

NAME

ROOM NO.

Mr. Riley

842

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

A.J. Favilla

com fcs
January 25, 1968

His Excellency
Senor Col. Julio Sanjines-Goytia
Ambassador of Bolivia
Washington, D.C.

Dear Mr. Ambassador:

Thank you for your letter of January 22, describing rail traffic between Santos and Santa Cruz. You may be assured that we will bear this information in mind when we review the report on the Integrated Transport Study.

With kind regards,

Sincerely yours,

Robert F. Skillings
Western Hemisphere Department

cc. Messrs. Engelmann/Hansen
Riley
B. Jones
Sassoon o/r

AJFavilla:mdk

Mr. Poley
our file
EMBAJADA DE BOLIVIA
WASHINGTON, D. C.

Transport

V. S.- 18/68

Mr. Robert F. Skillings
Western Hemisphere Department
International Bank for Reconstruction
and Development
1818 H St., N. W.
Washington, D.C. 20433

Dear Mr. Skillings:

This refers to recent developments regarding the transiting of goods by rail to and from Santos, Brazil and Santa Cruz, Bolivia. This pattern of operation has stemmed from an agreement signed in October 1966 between the Bolivian Ferrocarril Santa Cruz- Corumbá (FCSCC) and Estrada do Ferro Noreste do Brasil (NOB) with service beginning in July 1967. This agreement, No. 293, covers traffic moving from Santos, to Baurú (479 Km.), Baurú to Corumbá (1352 Km.), via NOB, reported transit time five days, thence from Corumbá to Santa Cruz (600-700 Km.), via FCSCC, in two/three days. Even extending this time to 10 days, it must be favorably considered in comparison with 20/30 days via a western approach from the Pacific.

We have been informed that in late November 1967 the American Embassy in Rio de Janeiro, in reporting this development, made the following observations:

- a) Agreement No. 293 June 18, 1967 between NOB and FCSCC provides for reciprocal exchange of traffic, there is no requirement for custom's inspection or transshipment at the border.
- b) It is now possible to ship sealed cars of merchandise direct from Santos to Santa Cruz.
- c) Railroad officials have noted a marked increase in traffic. The largest, single shipment to date was 2,000 tons of water pipe (50 freight cars). This trainload moved from Sao Paulo to Santa Cruz in four days, and arrived in perfect condition.

Mr. Poley
Please distribute
copies of this to the WFP
+ prepare a nice acknowledgment
from my signature saying we will
January 22, 1968

Certainly
Dear Mr
Munatta
for the
notes
RFS

- d) Cargo movement is further facilitated Through freight payments in Brazilian currency for the haul in Brazil, correspondingly transit charges in Bolivia are paid in Bolivian currency.
- e) Contacts made by the Embassy with Brazilian railroad officials expressed satisfaction with the agreement's implementation and predicted continued expansion of trade over this route.

From other sources we have also found that:

- 1) The Bolivian firm R. M. Jimenez S. A. has begun the use of this route for its shipment of "Araputanga" lumber.
- 2) Transiting to Santos from Santa Cruz de la Sierra takes ten days whereas routing via the West Coast, time to Arica or Antofagasta takes at least twenty days.
- 3) Using the Santos route, cars can be loaded for the through haul without transfer whereas the routing for export via Pacific ports require initial loading at Santa Cruz to trucks and reloading at La Paz or Cochabamba into railroad cars for the movement to port. In the case of shipments to the port of Matarani the reloading is multiplied due to the crossing of Titicaca lake.
- 4) Lumber exporters have stated shipments through double-handling in movement to Pacific ports sustain heavy damage losses whereas the rail car direct handling drastically cuts such losses.
- 5) The American Embassy in La Paz has also stated that the Agreement will probably facilitate shipments from Santos to the Santa Cruz area.
- 6) Though knowledge as to freight rate comparisons between Santa Cruz de la Sierra and Santos is still scanty, we have been informed that barbed wire has moved at US \$ 15.62 Brazil haul (also for lard) and US\$ 21.11 on general machinery. Haul in Bolivia is US\$ 12.00 for each commodity per ton.

- 7) To stimulate usage of this routing, the rail lines have expressed willingness to cutting rates as an incentive.

Bearing the aforementioned in mind, this Embassy considers that this matter should be carefully analyzed at the time of the comprehensive study of transportation in Bolivia, this study now being in the preparation stage.

In addition to a number of practical and economic considerations which are fully evident, there are others of a geopolitical nature which are linked with the landlocked condition of Bolivia and with the need the country has in finding and utilizing every possible approach to the sea.

Yours truly,

Julio Sanjinés Goytia
Ambassador

January 22, 1968

V. S. - 20/68


Daniel Mann, Johnson & Mendenhall
3325 Wilshire Blvd.
Los Angeles, California 90005

Gentlemen:

Attached to this letter you will find a copy of a letter sent to Mr. Robert F. Skillings of the Western Hemisphere Department at the International Bank for Reconstruction and Development. I have also enclosed a corresponding Spanish version of said letter containing a discussion of certain transportation and shipment problems in Bolivia that, we believe, should be very carefully considered by you in the preparation of the global transportation study of Bolivia which, we understand, is at its last stage and almost ready for completion.

I would very much appreciate to receive your reply to this constructive suggestion that has resulted from latest information gathered by this Embassy.

Sincerely,


Julio Sanjines-Goytia
Ambassador

JSG/isu
c.c.
Encl.

Traducción informal

La presente se refiere a recientes acontecimientos concernientes al tránsito de mercadería por vía férrea entre las Ciudades de Santos, Brasil y Santa Cruz, Bolivia. Esta forma de operaciones proviene de un Acuerdo firmado en Octubre de 1966 entre el Ferrocarril Boliviano Santa Cruz-Corumbá (FCSCC) y Estrada do Ferro Nordeste do Brasil (NOB) con servicios que comenzaron en Julio de 1967. Este Acuerdo, No. 293, cubre el tráfico desde Santos a Baurá (479Km.), de Baurá a Corumbá (1352Km.) por NOB con un tiempo de tránsito calculado en cinco días; desde Corumbá a Santa Cruz (600-700Km.) por FCSCC en dos o tres días. Aún extendiendo esta aproximación a diez días, tal ruta debería ser favorablemente considerada al compararla con los 20 a 30 días que toma la vía de acceso occidental desde el Pacífico.

Fuimos informados que a fines de noviembre de 1967 la Embajada Americana en Río de Janeiro al informar acerca de este acontecimiento hizo las siguientes observaciones:

- a) El Acuerdo No. 293 del 18 de Junio de 1967, entre NOB y FCSCC estipula el intercambio recíproco de tráfico sin requisito de inspección aduanera o transbordo en la frontera.
- b) Ahora es posible el despacho de vagones sellados de mercadería directamente desde Santos a Santa Cruz.
- c) Funcionarios del Ferrocarril advirtieron un marcado ascenso en el tráfico. El despacho individual mas extenso hasta la fecha fué de 2.000 toneladas de tuberías (50 vagones). Esta carga llegó a Santa Cruz desde Sao Paulo en cuatro días y en perfecto estado.
- d) Este movimiento de carga es facilitado más aún a través de pagos de fletes en moneda Brasileña en lo que se refiere al transporte en zona Brasileña, y en forma correspondiente los precios de flete al ser transportados en zona boliviana son pagados en moneda boliviana.

- c) Contactos hechos por la Embajada Americana con funcionarios del Ferrocarril brasileño expresaron con satisfacción la utilización del Acuerdo y pronosticaron una continuada expansión del comercio por esta ruta.

De otras fuentes hemos encontrado también lo siguiente:

- 1) La firma boliviana R. M. JIMENEZ S.A. comenzó a hacer el uso de esta vía para sus despachos de madera ARAPUTANGA.
- 2) El tránsito de Santa Cruz a Santos toma diez días, mientras que el transporte por vía del Pacífico a Antofagasta o Arica toma por lo menos veinte días.
- 3) Usando la vía de Santos, los vagones pueden ser cargados por el transporte directo sin transbordo, mientras que la ruta de exportación por vía de puertos sobre el Pacífico requieren ser inicialmente cargados en Santa Cruz sobre canchales y luego transferir esta carga en La Paz o Cochabamba al ferrocarril, en tránsito a puerto. En el caso de Matarani los transbordos se multiplican por tenerse que cruzar el lago.
- 4) Exportadores de madera han afirmado que despachos a causa del doble transbordo en vía al Pacífico sufren graves pérdidas, mientras que el servicio directo por vía férrea reduce drásticamente tales pérdidas.
- 5) La Embajada Americana en La Paz también afirmó que tal Acuerdo probablemente facilitaría los despachos de Santos al área de Santa Cruz.
- 6) Aunque todavía no se cuenta con datos concretos sobre fletes entre Santa Cruz y Santos entendemos que una partida de alambre de púa fue transportada por un precio de US\$ 15.62, área brasileña (manteca de cerdo al mismo costo); maquinaria en general fue transportada a un costo de US\$ 21.11. Fletes en Bolivia para los ítems anteriores fueron de US\$ 12.00.
- 7) Para estimular el uso de esta ruta, las líneas férreas han expresado su deseo de rebajar precios de flete como un incentivo.

Tomando en cuenta todo lo expresado anteriormente, esta Embajada considera que este asunto debiera ser cuidadosamente analizado en el estudio global sobre transporte en Bolivia que esta en preparación

Aparte de una serie de consideraciones prácticas y económicas que son plenamente evidentes, existen otras de naturaleza geopolítica que estan ligadas con el enclaustramiento de Bolivia y con la necesidad que tiene el país de encontrar y utilizar todas las salidas posibles al mar.

DANIEL, MANN, JOHNSON & MENDENHALL
3325 WILSHIRE BOULEVARD
LOS ANGELES
CALIFORNIA

JANUARY 18, 1968

USA

HAVE SENT FOLLOWING CABLE TO MINISTER BONIFAZ PONCE QUOTE RE BOLIVIA TRANSPORT
SURVEY AND OURCAS DECEMBER 29 REGARDING TRAVEL OF COUNTERPARTS TO CALIFORNIA
STOP BANK IS MOST ANXIOUS THAT COUNTERPARTS PARTICIPATE IN PREPARATION OF
DRAFT FINAL REPORT IN CALIFORNIA STOP UNDP ALLOCATION OF 6,700 DOLLARS INCLUDE
ESTIMATED COST OF FIVE REPEAT FIVE ECONOMY ROUND TRIPS TO CALIFORNIA AND 3,000
DOLLARS TO COVER ACTUAL REASONABLE LIVING EXPENSES FOR SELECTED COUNTERPARTS
WHILE IN CALIFORNIA AT ABOUT 25 DOLLARS A DAY FOR A COMBINED TOTAL OF APPROXIMATELY
120 DAYS STOP IF YOU AGREE WE SUGGEST THAT YOU FORWARD TO US NAMES OF PROPOSED
COUNTERPARTS AND TENTATIVE TIME EACH WILL SPEND IN CALIFORNIA BANK WILL THEN BE
PREPARED TO ARRANGE TO HAVE TICKETS ISSUED TO SELECTED COUNTERPARTS IN LA PAZ
AND TO MAKE FUNDS AVAILABLE IN CALIFORNIA TO COVER THEIR LIVING EXPENSES STOP
EXPECT ANSWER FROM UNDP NEXT FEW DAYS ON YOURLET 2190-67 CONCERNING LOCAL CURRENCY
COSTS INCURRED ON DRY SEASON DATA COLLECTION PROGRAMS STOP UNDERSTAND AGREEMENT
TO START WET SEASON PROGRAM ALREADY SIGNED STOP PLEASE FORWARD COPY OF THIS
AGREEMENT AND REPLY THIS CABLE SOONEST STOP COPY THIS CABLE SENT TO CONSULTANTS
UNQUOTE REGARDS

BAUM
INTHAFRAD

Warren C. Baum
Projects

cc: Mr. Pavilla, Mr. R. Jones, Mr. Riley
Mr. Sassoon, Mr. Parthasarathi,
Mr. Begling, Mr. North

HBansen:urg

Mr. Riley

for file
BOL - 15

January 18, 1968

Empresa Nacional de Ferrocarriles
Casilla No. 428
La Paz
Bolivia

Reference: AP. 102/7-3 Bolivia Railroad Assistance

Gentlemen:

Thank you for your letter of December 21, 1967 and the attached application to the United Nations Development Programme for Additional Technical Assistance for Empresa Nacional de Ferrocarriles.

We are presently in the process of reviewing this document and will be in further contact with you as soon as we have completed this review.

Sincerely yours,

Warren C. Baum
Assistant Director - Projects Department
in charge of Transportation

cc: Mr. Rolando Pereyra Mendez
Subsecretario de Planificacion
y Coordinacion
Casilla 3116
La Paz, Bolivia

Cleared in substance with Mr. Favilla

cc: Mr. Jones
Mr. Riley ✓
Mr. Sassoon
Mr. Parthasarathi
Mr. Regling

HHansen :urg

ROUTING SLIP	Date
	January 18, 1968

NAME	ROOM NO.
Mr. Riley <i>ow fl</i>	842

<input type="checkbox"/>	To Handle	<input type="checkbox"/>	Note and File
<input type="checkbox"/>	Appropriate Disposition	<input type="checkbox"/>	Note and Return
<input type="checkbox"/>	Approval	<input type="checkbox"/>	Prepare Reply
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Per Our Conversation
<input type="checkbox"/>	Full Report	<input type="checkbox"/>	Recommendation
<input type="checkbox"/>	Information	<input type="checkbox"/>	Signature
<input type="checkbox"/>	Initial	<input type="checkbox"/>	Send On

REMARKS

From A.J. Favilla

MINISTER BONIFAZ PONCE

JANUARY 17, 1968

SEDEPLA

IBF GOVT.

LA PAZ

BOLIVIA

RE BOLIVIA TRANSPORT SURVEY AND OURCAB DECEMBER 29 REGARDING TRAVEL OF COUNTERPARTS TO CALIFORNIA STOP BANK IS MOST ANXIOUS THAT COUNTERPARTS PARTICIPATE IN PREPARATION OF DRAFT FINAL REPORT IN CALIFORNIA STOP UNDP ALLOCATION OF 6,700 DOLLARS INCLUDE ESTIMATED COST OF FIVE REPEAT FIVE ECONOMY ROUND TRIPS TO CALIFORNIA AND 3,000 DOLLARS TO COVER ACTUAL REASONABLE LIVING EXPENSES FOR SELECTED COUNTERPARTS WHILE IN CALIFORNIA AT ABOUT 25 DOLLARS A DAY FOR A COMBINED TOTAL OF APPROXIMATELY 120 DAYS STOP IF YOU AGREE WE SUGGEST THAT YOU FORWARD TO US NAMES OF PROPOSED COUNTERPARTS AND TENTATIVE TIME EACH WILL SPEND IN CALIFORNIA BANK WILL THEN BE PREPARED TO ARRANGE TO HAVE TICKETS ISSUED TO SELECTED COUNTERPARTS IN LA PAZ AND TO MAKE FUNDS AVAILABLE IN CALIFORNIA TO COVER THEIR LIVING EXPENSES STOP EXPECT ANSWER FROM UNDP NEXT FEW DAYS ON YOURLET 2190-67 CONCERNING LOCAL CURRENCY COSTS INCURRED ON DRY SEASON DATA COLLECTION PROGRAMS STOP UNDERSTAND AGREEMENT TO START WET SEASON PROGRAM ALREADY SIGNED STOP PLEASE FORWARD COPY OF THIS AGREEMENT AND REPLY THIS CABLE SOONEST STOP COPY THIS CABLE SENT TO CONSULTANTS REGARDS

PAVILLA INTRAFRAD

Alberto J. Favilla

Western Hemisphere Department

Cleared with and cc: Messrs. R. Jones
Riley
Sassoon
cc. Messrs. Skillings o/r, Hansen,
Isgrid (IMJM)
HHansen:mdk

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF 310(2) IBRD

10 January 1968

Dear Mr. Demuth,

This is to acknowledge with thanks receipt of the Progress
.... Reports listed on the attached sheet.

These reports are now being studied by our staff, and we
shall be writing you on any particular matters which may arise
out of them.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Rajendra Coomaraswamy'.

Rajendra Coomaraswamy
Assistant Administrator and Director
Bureau of External Relations, Evaluation and Reports

Mr. Richard Demuth
Director of Development Services
1818 H Street, N.W.
Washington, D. C. 20433



✓ BOLIVIA

Integrated Transport Survey
(10 July - 10 October 1967-)

BRAZIL

Transport Survey--Phase II
(20 January - 31 July 1967)

BRAZIL

Transport Survey--Phase II
(1 August - 30 September 1967)

DAHOMEX

Land Transport Survey
(as of 1 November 1967-INCEPTION REPORT)

GABON

Engineering Study of the Owendo-Belingua
Railway
(1 May - 30 October 1967)

MALAYASIA

Transport Survey
(1 December 1967-INCEPTION REPORT)

January 4, 1968

Mr. Myer Cohen,
Assistant Administrator and Director,
Bureau of Operations and Programming,
United Nations Development Programme,
United Nations, New York 10017

Dear Mr. Cohen:

Reference is made to our letter of November 27, 1967, your response of December 15, 1967, and our telephone conversation with Mr. Shields on December 29, 1967, concerning the need for additional funds from the contingency reserve for the Bolivia Transport Survey.

Upon receipt of your letter of December 15, we immediately cabled the Government to relay to them your decisions. As we mentioned to Mr. Shields on December 29, we have now received a cable from the Government asking that you reconsider their request that UNDP provide additional funds to cover the \$20,000 expended in local currency for the collection and processing of dry season traffic data. That request is contained in the Government's letter No. 2190-67 of November 17, 1967 (a copy of which was given to Mr. Schwab by Mr. Hansen). At the suggestion of Mr. Shields, we are writing to amplify the background of the Government's request and hope that this information will enable you to reach a decision on the Government's request.

By letter of May 10, 1967 the consultants (Daniel, Mann, Johnson & Mendenhall) advised us of the lack of origin and destination data for highway traffic and asked for our approval for spending \$12,060 for such data collection. The letter was countersigned by the Minister of Planning and Coordination and stated that additional local currency funds could not be made available. The Bank replied on June 15 that most of the costs for the proposed O & D survey appeared to be local currency costs, whereas UNDP had provided funds to cover only foreign currency costs. We therefore requested a breakdown of the \$12,060 as between foreign and local costs.

In a related development we understand that the Minister of Planning and Coordination proposed in his letter to you of June 1, 1967, that the per diem cost of the foreign experts be reimbursed by the UNDP, so that the available local currency funds could be used to cover the cost of specified

January 4, 1968

data collection and processing programs, then estimated at \$39,000, of which \$10,000 would be in kind. (Although we received, informally, a copy of the Minister's letter, we are not aware of UNDP's reply).

The need for additional data collection programs was discussed with the Government and the consultants in La Paz at the end of June. At that time the Consultants' Project Manager informed us that some of the data collection programs were underway (including the collection of highway origin and destination data, the accumulation and analysis of LAB traffic data, and a limited computer analysis of the railroad traffic), and that he hoped that the local currency costs would be within the contract \$110,000 ceiling, if other savings could be made. The consultants agreed to review the need for additional data collection programs, especially the river surveys and agricultural data programs, and to present their recommendations to the Government and the Bank.

In his letters to us of August 15 and October 18, 1967, the Minister of Planning stated that various data collection and processing programs had been undertaken by the consultants, at an estimated total cost of \$20,000, and that the Government expected that up to \$5,000 of this could be covered within the \$110,000 Government Contribution and asked that \$15,000 equivalent for local expenses be covered from UNDP funds. The letters also pointed out that their request to the Finance Minister for additional local funds had been turned down.

(Earlier, on July 25 the consultants had asked the Bank for approval to use up to \$16,400 for data processing and analysis. From the Government's letter of October 18 it was not clear whether the consultants' request for \$16,400 for data processing and analysis was a part of or in addition to the Minister's request for \$20,000).

The Bank mission to La Paz in mid-November discussed in detail the various requests for additional funds received from the Minister and the consultants. This included the request for \$16,400 for data processing in Lima, Peru and McLean, Virginia, and \$20,000 for data collection and preparation programs already completed. The first of the requests was identified as a foreign currency cost in its entirety and was approved by the Bank (within the contract foreign currency ceiling figure of \$785,000). By letter 2190-67 (copy and breakdown enclosed) the Minister asked approval of the second request, as follows:

	<u>US\$ equivalent</u>
1. Travel and per diem for Bolivian personnel	4,336.05
2. LAB statistical tables	202.00
3. Highways surveys (origin/destination)	10,384.47
4. Punching air traffic data on IBM cards	600.87
5. Preparation of IBM cards for railroads	119.23
6. LAB statistics for aviation fuel	53.00
7. IBM Bolivian Mining Corporation	55.00
8. IBM San Andres aviation statistics	271.00
9. Transportation cost data collection program	1,155.48
10. Industrial data collection program	201.05

January 4, 1968

US\$ equivalent

11. Agricultural data collection program	1,453.23
12. Other (mainly contingency, since some invoices are late)	<u>1,168.62</u>
	\$20,000.00

The Minister has stated and we agree that the local data collection and preparation programs were indispensable to the success of the Survey. On the basis of repeated statements by the Minister, we are also convinced that, (except for the funds which the Bolivian Railways will provide to cover the local costs for extension of the term of the railway expert, Mr. Schwarz) it will be exceedingly difficult for the Government to provide funds over and above their present \$110,000 contribution, which is the limit of their expressed undertaking in their contract with the consultants. In passing, it should also be noted that the first formal request for additional funds was dated May 10, 1967, i.e., before the programs were actually initiated. The Government has indicated willingness to cover \$5,000 of the costs of the local data collection and preparation programs and we now ask that you reconsider the government's request, set out in the Minister's letters, that UNDP provide an additional \$15,000 to be used to pay these local data collection and preparation costs. //

Your early attention to this matter would be greatly appreciated.

Sincerely yours,

Vincent J. Riley
Development Services Department

Enclosure

cc: Mr. R. Jones
Mr. Sassoon
Mr. Hansen
Mr. Favilla

VJRiley/ga

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

January 4, 1968

NAME

ROOM NO.

Mr. Favilla

584

Mr. R. Jones

722

Mr. Riley

841

Mr. Sassoon

811

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

BOLIVIA - Transport Survey

Attached for your consideration please find a draft letter to DMJM. The "wet season" is already well underway and any further delay in implementing the program would then, according to DMJM, seriously reduce its value.

From

PH H. Hansen (X2665 - F-338)

D R A F T
HHansen:urg
January 4, 1968

Mr. F. E. Isgrig
International Operations
Daniel, Mann, Johnson & Mendenhall
3325 Wilshire Boulevard
Los Angeles, California 90005

per file

Re: BOLIVIA - Transport Survey

Dear Mr. Isgrig:

Reference is made to your telephone conversation with Mr. Hansen on January 3, 1968 concerning the commencement of the "wet season" data collection program.

In view of the fact that the request for the "wet season" data collection program was formally signed by both the Government and your firm and that this specific request has now in its entirety been approved by the United Nations Development Programme, the Bank is prepared to approve a contract amendment within the scope and cost outlined in the request (letter of November 17, 1967 concerning the wet season traffic data with attachments A, B and C). Furthermore, the Bank would have no objection to your proceeding with the implementation of this program immediately and prior to the signing of the contract amendment.

Please confirm receipt of this letter and notify the Government and the Bank of any actions taken to implement the program. A copy of this letter is being sent to the Minister of Planning and Coordination.

Sincerely yours,

Warren C. Baum

cc: Dr. Miguel Bonifaz Ponce
Minister of Planning and Coordination
Edificio Conavi, La Paz, Bolivia

To be Cleared with and cc: Messrs. Favilla, R. Jones, Riley, Sassoon

DANIEL, MANN, JOHNSON & MENDENHALL
3325 WILSHIRE BOULEVARD, LOS ANGELES
CALIFORNIA

H. Riley
one file
BOL-15
JANUARY 4, 1968

LS

U.S.A.

HAVE TODAY SENT FOLLOWING CABLE TO MINISTER BONIFAZ PONCE QUOTE
RE BOLIVIA TRANSPORT SURVEY COMMA IN VIEW OF UNDP APPROVAL OF
ADDITIONAL ALLOCATION OF UP TO 43,000 DOLLARS FOR WET SEASON DATA
COLLECTION PROGRAM AND OF LIMITED TIME LEFT OF WET SEASON BANK RECOMMENDS
THAT SUCH PROGRAM BE STARTED IMMEDIATELY STOP WE SUGGEST YOU AND CONSULTANTS
ENTER INTO EARLY AGREEMENT ON THIS ITEM SUBJECT TO SUBSEQUENT BANK APPROVAL
STOP BANK WOULD HAVE NO OBJECTION TO CONSULTANTS COMMENCING WORK ON WET SEASON
DATA COLLECTION PRIOR TO SIGNATURE OF AGREEMENT IF THIS ACCEPTABLE TO YOU
AND CONSULTANTS AND PROVIDED IT IS CLEAR COST DOES NOT EXCEED 43,000 DOLLARS
STOP COPY OF THIS CABLE SENT CONSULTANTS STOP PLEASE CABLE YOUR VIEWS CONSULTANTS
AND BANK UNQUOTE REGARDS

BAUM
INTBAFRAD

Mr. Warren C. Baum

Projects

Cleared with in substance and cc:

Mr. Favilla
Mr. Shillings
Mr. E. Jones
Mr. Riley, Mr. Sassoon

Hansen:urg

over file
Bol. 15

MINISTER BONIFAZ PONCE
SEDEPLA
LA PAZ

January 4, 1968

IBF GOVT.

BOLIVIA

RE BOLIVIA TRANSPORT SURVEY COMRA IN VIEW OF UNDP APPROVAL OF ADDITIONAL
ALLOCATION OF UP TO 43,000 DOLLARS FOR WET SEASON DATA COLLECTION PROGRAM
AND OF LIMITED TIME LEFT OF WET SEASON BANK RECOMMENDS THAT SUCH PROGRAM
BE STARTED IMMEDIATELY STOP WE SUGGEST YOU AND CONSULTANTS ENTER INTO
EARLY AGREEMENT ON THIS ITEM SUBJECT TO SUBSEQUENT BANK APPROVAL STOP
BANK WOULD HAVE NO OBJECTION TO CONSULTANTS COMMENCING WORK ON WET SEASON
DATA COLLECTION PRIOR TO SIGNATURE OF AGREEMENT IF THIS ACCEPTABLE TO YOU
AND CONSULTANTS AND PROVIDED IT IS CLEAR COST DOES NOT EXCEED 43,000 DOLLARS
STOP COPY OF THIS CABLE SENT CONSULTANTS STOP PLEASE CABLE YOUR VIEWS
CONSULTANTS AND BANK RECORDS

FAVILLA

INTBRASAD

Alberto J. Favilla
Western Hemisphere Department

Cleared with and cc: Messrs. Skillings
R. Jones
Riley
Sassoon

WHansen:leo



Record Removal Notice

File Title Bolivia - Integrated Transport Study - Survey Numbers - DP/SF/310/BOL 15 - Volume 3		Barcode No. 30486955		
Document Date 01/03/1968	Document Type Letter			
Correspondents / Participants From: Daniel, Mann, Johnson, Mendenhall				
Subject / Title Erogaciones Efectuadas en Pasajes				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

Mendenhall - Equitable Adjustment
in fee structure
based on additional, extra work
required to do a professional job

- ① Under Contract for Cancer Legend Control of DMSM
- ② Added Value to Bel, Book + Vn DP

Residual Value Remaining