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Washington, D.C.

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①  
P/SF BOL 15--Integrated Trans-  
port Study(1967)

Archives



1011647

R1977-032 Other #: 513-J Box #: 6930B  
Bolivia - Integrated Transport Study - Survey Numbers - DP/SF BOL 15 - Volume



TO RE-ORDER SPECIFY  
No. 618 FOLDER  
MADE IN U. S. A.

**DECLASSIFIED  
WITH RESTRICTIONS**  
WBG Archives



Bolivian Ray Tech Post.

Status -

Checked with Spooling.

Still alive but dormant

Probably will be revived after  
present loan negotiations complete.

Meanwhile continue to report as  
in part.

Files

December 30, 1966

Alberto J. Favilla

BOLIVIA - Cabinet Change

1. In the course of the morning of December 30, 1966, I telephoned Mr. Ormachea, Minister Counsellor at the Bolivian Embassy, to ask whether he had received any additional news on the cabinet crisis (the entire cabinet resigned unexpectedly on December 29 in solidarity to the Minister of Labor). Mr. Ormachea replied that so far he had not received any additional information, but he felt that the situation was not alarming. He stated that this move has helped President Barrientos to pave the way for the reorganization of the cabinet and the dismissal of some of its leftist members. He understood that the great majority of the Ministers would be confirmed in their posts.
2. Mr. Ormachea enquired on the status of the livestock project. I indicated that, everything going well, we would be inviting for negotiations next February. I also mentioned that we were writing to La Paz on the Santa Isabel project, but before we could decide on its appraisal we would need to have DINE reorganized in a satisfactory form.
3. Mr. Ormachea promised to keep me posted on any future developments in the Cabinet.

cc. Messrs. Riley  
Fajans  
Engelmann  
Sear  
Dambiski  
Sassoon  
Wyss

AJFavilla : mdk

*quillo*

29 de diciembre de 1966

Sr. Santiago Quijano Caballero  
Representante de las Naciones Unidas  
Avenida Arce 2419  
La Paz  
Bolivia

Estimado Santiago:

Hago uso del "pouch" para hacerte llegar 17 copias de los "Terminos de Referencia" para el estudio integral de transportes que fueron traducidas al castellano.

Te agradecería si tu fueras tan gentil de hacerle llegar al Ministro Bonifaz 15 copias de los mismos y los dos restantes quedan para tu uso.

Aprovechando la ocasion para saludarte y hacerte llegar mis deseos de que tengas un Feliz y Prospero Ano Nuevo, me despido afectuosamente.

Tu atento y seguro servidor,

Alberto J. Favilla  
Departamento Hemisferio Occidental

Encs.

Translation: Announcing that I am sending 17 copies of the Spanish translation to the "Terms of Reference" for the Integrated Transport Survey and I would appreciate if he would make 15 copies available to Minister Bonifaz (Minister of Planning and Coordination)

cc. Messrs. Riley, Fajans  
AJFavilla:mdk

*see contract file*

Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

| ROUTING SLIP                                                                        |                         | Date<br>December 27, 1966 |                      |
|-------------------------------------------------------------------------------------|-------------------------|---------------------------|----------------------|
| 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                                                                   |                         |                           |                      |



December 27, 1966

Dr. Miguel Bonifaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz, Bolivia

Dear Mr. Minister:

Following Mr. Knox's letter of December 14, 1966, I am now sending you two copies of the Spanish translation to the Terms of Reference for the Integrated Transport Survey. This translation incorporates the comments set out in your letter of October 21, 1966 and confirmed by us in our letter of November 17, 1966.

I am also sending you under separate cover 15 copies of the Terms of Reference through the UN pouch. I would suggest that you contact Mr. Quijano Caballero, United Nations resident representative in La Paz, and arrange to have these copies picked up. Would you kindly have them circulated among the entities which will be in one way or another associated with the transport study.

Wishing you and all my friends at the National Secretariat of Planning a very happy New Year, I remain,

Sincerely yours,

Alberto J. Favilla  
Western Hemisphere Department

Enclosure

Cleared with and cc. Mr. Knox  
cc. Messrs. Reamy  
Riley  
Engelmann  
Sassoon/Lecount  
Fajans

AJFavilla:mdk

our file

December 22, 1966

Dear Mr. Minister:

Re: BOLIVIA - Integrated Transport Study

Following my letter of November 17, 1966, I am now writing to give you the comments of the International Bank for Reconstruction and Development on your proposed change in Section 4.01 (a) of the Plan of Operation.

We have discussed the matter with the United Nations Development Programme (UNDP) and have agreed to a modification of the section. The language proposed, which has been approved by the UNDP, would now read as follows:

"The Government shall carry out the Project with due diligence and efficiency and shall provide promptly as needed the funds, facilities, services, and other resources required for the purpose. The current estimate of the required counterpart contribution is detailed in the Schedule to this Plan of Operation".

We hope that you will be able to accept the proposed modification. We look forward to hearing from you on this matter.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Dr. Miguel Bonifaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz, Bolivia

Cleared with and cc: Messrs. Knox/Fajans, Reamy, Riley, Engelmann, Sassoon  
AJFavilla:mdk/mv



# Record Removal Notice

|                                                                                                      |                                |                                                                                                                                                                                                                                                                                                          |                                      |                             |
|------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------|
| <b>File Title</b><br>Bolivia - Integrated Transport Study - Survey Numbers - DP/SF BOL 15 - Volume 1 |                                | <b>Barcode No.</b><br><br>1011647                                                                                                                                                                                                                                                                        |                                      |                             |
| <b>Document Date</b><br>12/22/1966                                                                   | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Correspondents / Participants</b><br>To: Mr. Daniel C. Lacuena<br>From: Alberto Favilla           |                                |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Subject / Title</b><br>Bolivia Integrated Transport Study                                         |                                |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Exception(s)</b><br>Attorney-Client Privilege                                                     |                                |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Additional Comments</b>                                                                           |                                | <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><b>Withdrawn by</b><br/>Salma Berrada</td><td><b>Date</b><br/>May 23, 2025</td></tr></table> | <b>Withdrawn by</b><br>Salma Berrada | <b>Date</b><br>May 23, 2025 |
| <b>Withdrawn by</b><br>Salma Berrada                                                                 | <b>Date</b><br>May 23, 2025    |                                                                                                                                                                                                                                                                                                          |                                      |                             |



  
December 20, 1966

Alberto J. Favilla

BOLIVIA - Integrated Transport Study (Legal Advice on International Transport Agreements).

1. I would like to refer to Mr. Cohen's (UNDP's Assistant Administrator) letter of December 13, 1966, regarding the request for legal assistance on international transport agreements.
2. I am very much inclined to suggest that the legal advice be provided outside the scope of the integrated transport study, because Bolivia's present dispute with Chile on international transport agreements and right to the sea could give room for significant conflicts and it would be undesirable to have the Bank associated with this.
3. If you concur, I propose that we reply UNDP indicating that the Bank would prefer that the legal assistance be provided by UNDP outside the integrated transport study. I would further recommend that this assistance be started only after the completion of the integrated transport study, although arrangements could be initiated sooner.

cc. Messrs. Knox  
Engelmann  
Reamy  
Riley  
Sassoon

AJFavilla:mdk

Mr. Alberto J. Favilla

December 19, 1966

Vincent J. Riley

Plan of Operation--Bolivia Transport

The UNDP has responded to our suggestion regarding modification of Section 4.01(a) of the Standard Plan of Operation by proposing the following language:

"The Government shall carry out the Project with due diligence and efficiency and shall provide promptly as needed the funds, facilities, services and other resources required for the purpose. The current estimate of the required counterpart contribution is detailed in the Schedule to this Plan of Operation."

The Legal Department has agreed to the language proposed.

As you know this clause was the only one still unsettled in the Plan of Operation for the Bolivian Transport Study. I believe we can now write to the Government and advise them, that as a result of discussions between the UNDP and the Bank, the above text has been agreed. You might add that we trust this also will be acceptable to the Government.

VJRiley:fph

cc: Messrs. Knox  
Sassoon  
Reamy

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

*file*

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/SF/310 BOL 15

13 December 1966

Dear Mr. Demuth,

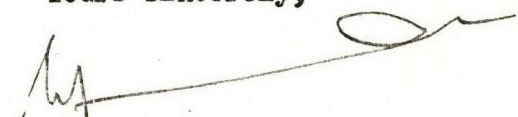
Subject: BOLIVIA - Integrated Transport Survey

I acknowledge with thanks Mr. Riley's letter of 31 October, reporting on his mission to Bolivia in connexion with this project.

With respect to the matter of legal advice raised in Mr. Riley's letter, we would welcome it if the United Nations could provide this assistance.

I should like to mention, however, that if the Bank so desires, the UNDP could also arrange for this advice to be provided, either within the current project budget or by using project contingency funds, even though this item is not specifically in the Governing Council document for the project. Our major concern is that the survey's recommendations be implemented. If legal advice appears necessary to achieve this result, we would welcome its being provided, whether by the UN or as a part of the project.

Yours sincerely,

  
for Myer Cohen  
Assistant Administrator  
and

Director, Bureau of Operations and Programming

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

cc: Messrs. Know/Favilla  
Engelmann  
Sassoon  
Reamy



Polaris

December 14, 1966

Dr. Miguel Bonifaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz  
Bolivia

Dear Mr. Minister:

This is to acknowledge with many thanks your letter of November 28, 1966, on the integrated transport study.

You will recall that in my letter of November 17, 1966, I said that we had accepted all of your proposed modifications to the Plan of Operation except that to Section 4.01 (a) on which we reserved our position pending discussions with the United Nations Development Program. The modification of this Section of the Plan of Operation is still being reviewed with the UNDP and we will be sending you our comments as soon as this review has been completed.

We are completing the Spanish translation of the Terms of Reference and shortly I will be sending you several copies.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Cleared with and cc. Messrs. Sassoon

Engelmann  
Riley ✓  
Reamy

cc. Mr. Quijano-Caballero (UNDP)

*confil*

DRAFT  
AJFavilla:mdk  
December 9, 1966

Dr. Miguel Bonipax Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz  
Bolivia

Dear Mr. Minister:

This is to acknowledge with many thanks your letter of November 28, 1966, on the integrated transport study.

You will recall that in my letter of November 17, 1966, I said that we had accepted all of your proposed modifications to the Plan of Operation except that to Section 4.01 (a) on which we reserved our position pending discussions with the United Nations Development Program. *ne* *This matter is still being reviewed* *of* *We are reviewing with the UNDP the* *The* *modification you suggested to this Section of the Plan of Operations, and we will* be sending you our comments as soon as this review has been completed.

We are completing the Spanish translation of the Terms of Reference and shortly I will be sending you several copies.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Cleared with: Messrs. Lecuona  
Engelmann  
Riley ✓  
Reamy

UNITED NATIONS



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NEW YORK

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*files*

REFERENCE

TE 322/1 BOLI (151-2)

29 November 1966

Dear Mr. Riley,

I read with interest your letter of 31 October and have made due note of your suggestions for providing legal advice to the Government of Bolivia in 1968 upon completion of the Transportation Survey which is to be carried out by the International Bank for Reconstruction and Development this coming year.

We will be pleased to look into the matter in detail should the Government submit, in due course, a request acceptable under United Nations Technical Assistance rules and regulations. In the meantime, we are seeking the views of the Resident Representative of the United Nations Development Programme in Bolivia and shall keep you informed of further developments.

Yours sincerely,

*William R. Leonard*

William R. Leonard  
Director

Bureau of Technical Assistance Operations

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

cc: Mr. Favilla  
Original to files 12/2/66



*Mr. Riley*  
Mr. Favilla

Room 584

OFFICE OF THE PRESIDENT OF THE REPUBLIC  
DEPARTMENT OF PLANNING AND COORDINATION

Av. 20 de Octubre Esq. F. Guachalla  
La Paz - Bolivia

November 28, 1966

Mr. A. David Knox  
Western Hemisphere Department  
World Bank  
1818 H Street N.W.  
Washington, D.C. 20433

Dear Mr. Knox:

Thank you for your letter of November 17, 1966 informing me that all the comments contained in my letter of October 21 have been incorporated into the drafts of both the Plan of Operation and the Terms of Reference. The comments in my letter were in fact discussed by your representatives, Mr. Riley and Mr. Favilla, and the final text of the letter was drafted to their satisfaction.

With respect to your observation concerning the greater importance of road transportation in Bolivia we cannot make a priori judgments on the role that the various transport media will be called upon to play in the country's future. It is clear to me that this important point must be decided in the light of the Transportation Study. The treatment of particular aspects in more or less detail does not depend only on the present importance of each transport medium but also on the aims assigned to the Transportation Study - for example, the rational utilization of each medium and its dovetailing into the national economy.

Like the SOFRERAIL report, previous reports or studies carried out in the form of individual studies of a specific transportation medium will be very useful. Nevertheless, the Bolivian Government has asked for assistance for an Integrated Study, bearing in mind that future investment in the transportation sector requires a coordinated program, which was not within the scope of previous studies.

I have no further comment to make on the preselection of consulting firms; the proposal in my last letter was in the nature of a suggestion based on the documents offered to us by the Bank. I approve of the list sent by you on September 23, 1966.

I await the copies of the documents with the approved amendments. The Bolivian Government will, by the date you indicate, appoint an authorized representative to sign the contract documents.

Yours very truly

(signed) Dr. Miguel Bonifaz Ponce  
Minister of Planning and  
Coordination

TRANSLATION SECTION 2169/66

Translated From: Spanish 12/9/66 By: JB:gue





REGISTERED  
MAIL NO. 147835

PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22213 - 20224 - 28733

CATON POSTAL 3116  
CABLES «SEDEPLA»

2073-66

28 de noviembre de 1966.

Al señor

A. David Knox  
Western Hemisphere Department  
BANCO MUNDIAL  
1818 H. Street, N.W.

Washington, D.C. 20433

Estimado señor Knox:

Doy respuesta a su carta de 17 de noviembre en la cual indica que se han incorporado todos los comentarios de mi carta de 21 de octubre, en los borradores tanto del Plan de Operaciones como en los Términos de Referencia. En rigor, los comentarios de mi carta fueron discutidos por sus representantes, señores Riley y Favilla y el texto final de la carta estuvo a satisfacción de ellos.

Su observación respecto a la mayor importancia del transporte carretero en el caso de Bolivia no implica la aceptación de juicios apriori sobre el papel que tocará desempeñar a los distintos medios de transporte en el futuro del país. Entiendo que este importante punto debe ser esclarecido por el estudio de transportes. El mayor o menor detalle en aspectos particulares no depende solamente de la importancia actual de cada medio de transporte sino de los objetivos señalados al Estudio de Transportes: por ejemplo, la utilización racional de cada medio de transporte y su complementación en la economía nacional.

Los anteriores informes o estudios, al igual que el informe SOFRERAIL que fueron realizados en base a estudios aislados de un medio de transportes determinado serán de mucha utilidad; pero el Gobierno boliviano ha solicitado asistencia para un Estudio Integrado, en consideración de que las futuras inversiones en materia de transportes requieren un programa coordinado, objetivo que no estuvo al alcance de los estudios realizados anteriormente.

No tengo ningún juicio que añadir a la preselección de firmas consultoras, la proposición contenida en mi carta anterior tenía un carácter de sugerencia basada en los documentos ofrecidos a nosotros por el Banco. La lista enviada por usted el 23 de septiembre de 1966, tiene mi aprobación.

Estoy a la espera de las copias de los docu-

/...



PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

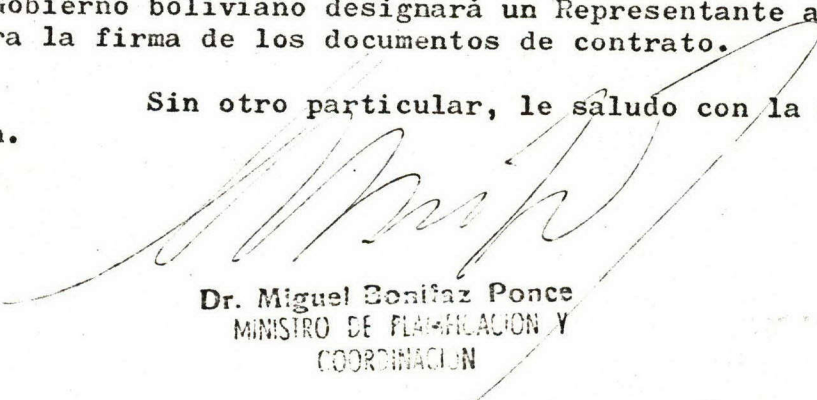
AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22213 - 29224 - 28733

CAJON POSTAL 3116  
CABLES «SEDEPLA»

- 2 -

mentos con las enmiendas aprobadas. Para la fecha que usted indica, el Gobierno boliviano designará un Representante autorizado para la firma de los documentos de contrato.

Sin otro particular, le saludo con la mayor atención.

  
Dr. Miguel Bonifaz Ponce  
MINISTRO DE PLANIFICACION Y  
COORDINACION

ozzr



*Mr. Riley*  
*gurfib*

November 25, 1966

Re: BOLIVIA TRANSPORT SURVEY

Gentlemen:

The Government of Bolivia proposes to engage the services of a consulting firm to assist in the improvement of existing transport services and to formulate the basis for the coordinated development of all forms of transport in Bolivia.

Attached hereto are "Terms of Reference" for the study and "Supplementary Information to Consultants" for the services to be provided. If you are interested and in a position to undertake this assignment, you are invited to submit a preliminary proposal (exclusive of financial terms) which could form the basis for further negotiations and, ultimately, for a contract agreement between your firm and the Government of Bolivia. Other firms are also being invited.

It is considered desirable that a representative of your firm visit Bolivia before submitting a preliminary proposal in order to obtain information on local conditions. Prior to such a visit, kindly advise Dr. Miguel Bonifaz Ponce, Minister of Planning and Coordination, La Paz, Bolivia, of the date of arrival of your representative.

Please acknowledge this letter on receipt, indicating whether you are interested and in a position to undertake the assignment specified. We would expect to receive your proposal at our Washington Office not later than January 4, 1967.

After review of all proposals, we will request the firm, or firms, tentatively selected to supply cost details, particularly man-month rates for each of the experts in the team. Each rate should include basic salary, fringe benefits, overseas allowance, overhead and fee. These cost details should be available for discussion with the Bank during the week of January 16, 1967. The firm selected after negotiation would be expected to mobilize in Bolivia during the month of March, 1967.

Sincerely yours,

HHansen:vbm

Cleared with and cc: Mr. Engelmann

cc: Mr. Chadenet

Gen. Vogel

Mr. Knox/Favilla

Mr. Lecuona

Mr. Reamy

Mr. Riley

Warren C. Baum  
Assistant Director - Projects Department  
in charge of Transportation

Same Letter Sent To:

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

Deutsche Projekt Union  
Hohezellenstrasse 10  
Bonn  
Germany

NEDECO  
48 Javastraat  
The Hague  
Netherlands

Wilbur Smith and Associates  
2215 Devine Street  
Columbia  
South Carolina

INTERTRANSPORTS  
39, rue de la Bienfaisance  
Paris 8  
France

-----

November 2, 1966

BOLIVIA TRANSPORT SURVEY

Terms of Reference

I. OBJECTIVES

II. SCOPE OF CONSULTING SERVICES

A. General

B. Transport Development Studies

1. Review and Forecast of Transport Needs
2. Analysis of the Existing Transport System
  - (a) Railroads
  - (b) Highways and Road Transport
  - (c) Inland Waterways and Navigation
  - (d) Airports and Civil Aviation
  - (e) Ocean Ports and International Links
  - (f) Pipe-lines
  - (g) Assessment of Present Transport Costs and Policies
3. Analysis of Alternative Transport Improvements
4. Recommended Transport Investments
5. Recommended Government Policies and Measures

C. Assistance to the National Railroad Company

1. Administration and Management
2. Tariff Studies and Commercial Policy
3. Technical Improvements

D. Reports

III. DATA, LOCAL SERVICES AND FACILITIES TO BE PROVIDED BY THE GOVERNMENT

- A. Economic, Traffic and Technical Data
- B. Cooperation of Governmental Agencies and Counterparts
- C. Facilities and Supporting Staff for the Consultants
- D. Local Transportation for the Consultants

IV. TIME SCHEDULE



## I. OBJECTIVES

The purpose of this survey is to assist in the improvement of existing transport services and to formulate the basis for the coordinated development of all forms of transport in Bolivia. To this end, the survey shall provide:

- (a) recommendations for the improvement of the operations, organization and management in each transport mode;
- (b) a program of transport investments for 1968-1977, based on economic priorities of specific projects for each transport mode; and
- (c) recommendations for Government policies and measures relating to transport administration, regulation, and coordination.

This survey is also to provide technical assistance to the National Railroad Company in the implementation of measures approved by the Government on the basis of a study of Bolivian railroads made by SOFRERAIL in 1962.

## II. SCOPE OF CONSULTING SERVICES

### A. General

This survey shall cover the entire country and all modes of transport that have a significant role in the national economy of Bolivia, including railroads, highways and highway transport, inland waterways and navigation, airports and civil aviation, pipelines and access to the sea via adjacent countries, including the railroads, roads and ports in these countries to the extent that they are relevant to Bolivian traffic. The survey will focus primarily on inter-city traffic and will not include studies of intra-city traffic, except to the extent that inter-city traffic may be affected

(e.g. bypasses and terminals).

The Consultants shall perform all technical and administrative studies, economic analyses, financial investigations, and related work herein described, as required to attain the objectives given in Section I hereof. In the conduct of this work, the Consultants shall cooperate fully with the Government which will provide data and services outlined in Section III hereof; however, the Consultants shall be solely responsible for the analysis and interpretation of all data received and for the conclusions and recommendations contained in their reports.

B. Transport Development Studies

1. Review and Forecast of Transport Needs

The Consultants shall review and summarize all available data on passenger and freight traffic in foreign and domestic commerce, by all modes of transport, on the principal routes within Bolivia and on the routes outside the country which connect Bolivia with major ocean ports in Chile and Peru. Breakdowns shall be prepared of traffic flows by mode and by principal commodities, indicating significant seasonal variations in flow. This review shall cover the transport history of Bolivia for the past five years, but consideration shall also be given to transport data of earlier years, where such data may be of importance to future developments.

The Government will advise the Consultants of the policies of the Government regarding the development of various sectors of the economy of Bolivia and of the anticipated locations and sizes of future agricultural, industrial, petroleum, gas and mining developments and related storage facilities. The Consultants shall analyze the prospective growth in each major sector of the Bolivian economy and estimate the expected volumes of production and consumption that may result therefrom.



Based on identification and evaluation of all major traffic generating sources, on the anticipated national income of Bolivia, and on the prospective growth and distribution of population, the Consultants shall prepare forecasts of the nature and volume of traffic flows which the country's transport system will have to accommodate in the years 1968 through 1977.

## 2. Analysis of the Existing Transport System

### (a) Railroads

The Consultants shall review all available data and reports prepared by others on the existing railroads of Bolivia, make a general inspection of the entire network, and prepare an independent analysis of the economic, operational and financial aspects of the western and eastern parts of the system. This analysis shall take into account the present and anticipated future traffic demand related to mining, industrial and agricultural developments in the regions served by the railroad and the role of competitive modes of transport.

The western part of the Bolivian railroads has recently been integrated into one government-owned system, under a single Bolivian management; the eastern part of the system (Yacuiba-Santa Cruz-Corumba, 1175 km) is managed by mixed committees of Bolivia, Brazil, and Argentina. The Consultants shall determine the technical and economic feasibility of connecting the western with the eastern part of the railroad and evaluate the operational, organizational and financial results of such connection. In addition, the Consultants shall investigate such other improvements in railroad services and facilities as would, in their view, substantially increase the efficiency of railroad operations, and make recommendations for the implementation of these improvements.



Where present traffic densities and estimated future traffic demand indicate that lines or sections of the railroad systems are uneconomic, the Consultants shall study the availability and cost of alternative transport modes and make detailed recommendations for phased discontinuance of service on and the ultimate abandonment of such uneconomic lines or sections, for the years 1968 through 1977. The Consultants shall also estimate the possible reduction in labor force and the financial results of these recommendations.

(b) Highways and Road Transport

The Consultants shall review all available data and reports on the existing highway system of Bolivia and make a general inspection of all major highway routes in the country. Based on the information obtained by such review and inspection, the Consultants shall prepare an inventory and general classification of highways. The classifications shall include:

- (i) Primary (first class or main) highways;
- (ii) Secondary (second class) highways;
- (iii) Tertiary (farm-to-market or feeder) highways;
- (iv) tracks (roads with little or no earthwork or drainage).

The inventory shall indicate, by major sections of the roads, the general geometric and construction standards (type of base, width and type of surfacing), capacity of structures, mileage, geographic distribution, present state of maintenance, and general adequacy for present traffic.

In addition, the Consultants shall:

- (1) review and collate all available data on the volume, type and weights of traffic using the national highway system and make recommendations for the future systematic collection of traffic data;

- (2) analyse the present geometric and construction standards and specifications used by the Government and make recommendations as to the standards to be adopted for future construction of different classifications of highways in various types of terrain;
- (3) analyse the policies, organization, staffing, equipment, operation and executive capacity of the agencies of the Government responsible for constructing and maintaining the national highway system and make specific recommendations for needed strengthening and/or improvement, as may be found necessary;
- (4) analyse the costs of maintenance operations and budgetary provisions for highway maintenance over the past five years, the present budgetary allocations for highway maintenance, and estimate the financial requirements for highway maintenance during the next five years;
- (5) review the highway construction methods at present in use in Bolivia, assess the capability of the Government agencies and of Bolivian contracting firms to carry out future highway construction, and analyse the current unit cost for constructing typical highways built to acceptable standards (including estimates of the foreign and local currency components of such cost);
- (6) review the current methods of contracting for highway construction work, the forms of contract in use, and make recommendations for necessary improvements;

- (7) review existing legislation regarding the control of motor vehicle weights and dimensions, highway traffic, and operations of the highway transport industry, comment on the adequacy of such legislation and of its enforcement in relation to highway conditions in Bolivia, and make recommendations for necessary improvements;
- (8) review the existing patterns of vehicle ownership and usage by main categories and estimate the cost of vehicle ownership and operation over the existing highway system; and
- (9) study a representative sample of the major public and private highway transport enterprises and assess their capacity for providing present and anticipated services in inter-city transport.

(c) Inland Waterways and Navigation

The Consultants shall study the inland waterways in Bolivia and related transport enterprises, to assess the future role of inland water transport in the internal distribution system of the country and in foreign trade. The Consultants shall review and analyze:

- (1) the port and river conditions affecting inland water transport;
- (2) the type, age and condition of vessels in use;
- (3) the organization and management of inland shipping enterprises;
- (4) the cost of vessel operation and repair, cargo handling, administration and cargo solicitation; and
- (5) the financial condition of agencies and firms in inland water transport.



On the basis of the above analyses, the Consultants shall identify the major shortcomings of the inland water transport industry and make recommendations for such improvement as may be justified in the light of the economic costs of alternative transport modes. The Consultants shall also estimate the order of magnitude of the investment needed to achieve the proposed improvements and define the scope of further studies needed prior to their implementation.

(d) Airports and Civil Aviation

The Consultants shall study the present status of civil aviation in Bolivia and assess the future role of air transport in domestic and foreign commerce of the country. In this study the Consultants shall review and analyze:

- (1) the type, age and condition of aircraft in use;
- (2) the facilities and conditions at major airports serving civil air traffic;
- (3) the organization and management of airports and air carriers offering domestic and foreign services;
- (4) the cost of operation and maintenance of aircraft and airports; and
- (5) the financial condition of Bolivian firms and agencies engaged in domestic and foreign air services, and competition between them.

On the basis of the above analyses and on forecasts of future traffic demand, the Consultants shall identify the major shortcomings of the civil aviation industry and make recommendations for needed improvements in air service and airport facilities. The Consultants shall also estimate the order of magnitude of the investment needed to achieve the proposed

improvements and define the scope of further studies needed prior to their implementation.

(e) Ocean Ports and International Links

Studies of ocean ports serving Bolivia in Chile and Peru and of the international links to these ports as well as to Argentina, Brazil and Paraguay shall be limited to a general review of present transport operations, determination of existing transport capacities and costs, estimates of future needs, and the identification of major shortcomings and bottlenecks. The Consultants shall make an inspection of the ports and connecting links outside Bolivia which play a significant part in carrying the country's foreign commerce, and determine the improvements in operations, facilities and equipment which may be justified by the estimated future traffic. The Consultants shall also make recommendations for additional studies, if any, which may be needed to implement necessary improvements, and identify the agencies outside Bolivia which would have to cooperate in the planning and execution of such studies.

The Consultants shall also investigate the status of international agreements affecting the movement of traffic through port facilities of the countries neighboring Bolivia, study the effect of these agreements on the costs and selection of alternative routes both within and outside Bolivia, and make recommendations for any modifications in the agreements that may be required to improve the flow of Bolivia's exports and imports and to achieve the most economic use of existing and proposed transport facilities.

(f) Pipe-lines

The Consultants shall study the existing and proposed pipe-lines in Bolivia, the volume and cost of transport of petroleum products, gas, and other commodities moving in domestic and foreign commerce by this mode, and



the Government's policies and regulations relating to pipe-line construction and operation; based on these studies, the Consultants shall assess the future role of transport by pipe-line in Bolivia and determine the need for expansion of the pipe-line system.

(g) Assessment of Present Transport Costs and Policies

Based on the studies of each transport mode outlined in (a) through (f) above, the Consultants shall make an analysis of the real cost of transport by mode including the loss due to delays, inadequate service, and lack of security in transit. The Consultants shall also identify the effect of taxes on these costs and of any distortions that may exist due to pricing of foreign exchange, labor, material, or equipment, public service obligations, and Government regulations.

To assess the policies of the Government in transport pricing, regulation and development, the Consultants shall:

- (1) analyze the revenues derived by Government from tariffs and user charges on each mode of transport and from all sources, including that part of license or other fees, taxes on fuel, spare parts, vehicles, etc., which may be appropriately considered user charges;
- (2) determine the adequacy of existing tariffs and user charges to cover the cost to Government of constructing, maintaining and operating each component of the nation's transport system;
- (3) summarize, analyze and evaluate all existing laws, international agreements, taxation, and other regulatory measures or practices concerning the operation of each mode of transport;



- (4) study and evaluate the criteria currently in use by the Government for making investment decisions in the transport sector; and
  - (5) critically analyze the organization and operations of each Government agency responsible for administration, operation, regulation and planning of transport in Bolivia.
- (3) Analysis of Alternative Transport Improvements

The review and forecast of transport needs and the analysis of Bolivia's existing transport systems outlined in Sections B-1 and -2 above will result in the identification of a number of possible improvements and extensions of the country's transport system. The Consultants shall evaluate the alternative transport improvements and extensions by analyzing the anticipated economic return on new investment required for each alternative. The economic return shall include reductions in transport costs, savings in maintenance costs, and other clearly identifiable benefits; where the development impact of a transport improvement is important, the net value of output added shall be assessed. These calculations shall be made for the economic life of each investment, on the basis of broad estimates of cost and benefits.

4. Recommended Transport Investments

Based on the analysis outlined in Section B-3 above, the Consultants shall determine the relative priorities of new investments in transport and prepare specific recommendations for a transport development; the program for the first five years shall be worked out in detail (1968-1972) and for the subsequent years in more general form (1973-1977). These recommendations shall comprise a minimum program, to serve Bolivia's most urgent transport needs at levels of new investment not greater than the average annual investment in new transport facilities during 1960-1965, and supplementary programs which could be undertaken if more resources

become available. To the extent possible, the Government will advise the Consultants regarding the order of magnitude of total resources that will become available for investment in the transport sector during the next ten years. The recommended programs shall define the general scope of the proposed improvements in each mode, give the time schedule for implementation of each improvement, and provide estimates of the foreign and local currency cost components.

The Consultants shall also study alternative sources of financing the proposed investment program and make recommendations as to the most appropriate methods of financing.

5. Recommended Government Policies and Measures

The Consultants shall prepare an outline of Government policies and measures necessary to (a) implement the recommended program of new investments in the transport sector and (b) obtain the maximum economic benefits from both the existing transport infrastructure of the country and from the proposed improvements. This shall include recommendations on:

- (1) the formulation of appropriate criteria on which to base future investment and disinvestment decisions;
- (2) the application of rates and fares on Government operated transport enterprises which reflect transport costs;
- (3) the establishment of user charges applicable to private transport enterprises which reflect the cost to Government of constructing, maintaining and operating the road, airways, and waterways networks and related facilities;



- (4) the establishment of policies concerning taxation and other fiscal measures, public service obligations, credit availability, etc., which are neutral between the various modes;
- (5) the establishment, abandonment, continuation or modification of administrative and tariff regulations relating to private and public transport enterprises;
- (6) the improvements needed in the organization of existing agencies responsible for administration, operation regulation and planning in each mode of transport, and/or the formation of new agencies to perform these functions; and
- (7) the organizational requirements needed to develop and implement on a continuing basis coordinated transport policies and planning, including the type of organization that would be appropriate and viable, the extent of its authority, and its financial and staffing requirements.

C. Assistance to the National Railroads

In 1961, the consulting firm SOFRERAIL was retained to make a study of Bolivian railroads, to formulate appropriate measures for improving their operation, and to propose the terms of reference for future consultative activity. The recommendations of the report prepared by SOFRERAIL in connection with the rehabilitation of the Bolivian Railways were approved by Supreme Resolution No. 117790 on December 21, 1962.



The main recommendations are compiled in a Short Term and a Long Term Program. The EMPRESA NACIONAL DE FERROCARRILES was formed on October 6, 1964, by combining all railroads of the western system; this new administration is now responsible for implementing the SOFRERAIL recommendations. Of the twenty-five recommendations in the Short Term Program, ten are already implemented, five are in the process of being implemented and ten cannot be put into effect as yet, due to the need for specialists and administrative problems. Four specialists shall be provided by the Consultants, to assist the Bolivian railroads to implement the remaining recommendations of the Short Term Program and the entire Long Term Program. The scope of the task of these specialists is outlined in the following.

1. Administration and Management

The Consultants shall provide an Administrative Adviser to support the activities of the Office of the Manager. The Administrative Adviser will assist in:

- (a) the application of new management methods and the centralization of supplies statistics and accountancy at the Head Office;
- (b) the improvement of personnel policies and the setting up of a centralized Staff Division;
- (c) the introduction of cost accounting methods;
- (d) the evaluation of the program of action that has been completed to date; and
- (e) the measures to be taken by the railroad administration in cases where SOFRERAIL's recommendations are not yet being effectively implemented.

2. Tariff Studies and Commercial Policy

The Consultants shall provide two specialists in accounting, statistics, tariffs, and traffic development, who shall assist the administrative staff of the railroad in:

- (a) cost studies, to determine the need for adjustment of present tariffs in the light of costs incurred by the railroad in carrying specific commodities on specific routes;
- (b) comparisons of railroad tariffs with the rates charges by competing modes, and analyses of the potential effect of changes in the tariff structure on the volume of traffic that can be carried by rail;

- (c) investigation of the effect on railroad costs and revenues of a wide range of performance variations (e.g. the exchange of motive power units with foreign railroads, transport of mail, etc.); and
- (d) the institution of commercial traffic solicitation methods and of other customer services (e.g. prompt investigation of claims by users, adjustments in service schedules to meet demand, etc.).

### 3. Technical Improvements

The Consultants shall provide one specialist in railroad engineering and operations, to assist the technical staff of the railroad in:

- (a) preparation of a track rehabilitation program (switches, cross ties, rail fastenings, ballast production and ballasting, etc.);
- (b) introduction of maintenance procedures and the training of supervisors to provide regular inspection and repair services for the permanent way, including bridges, tunnels, and other structures;
- (c) studies of a program of Dieselization, to determine the most effective and economical phasing of replacements for present motive power;
- (d) preparation of a program of scheduled maintenance for motive power and rolling stock and planning of required repair shop installations; and
- (e) preparation of utilization graphs, to determine the optimum distribution of power units among various depots, in accordance with traffic requirements.



D. Reports

The Consultants shall prepare the following reports:

- (1) an Inception Report (4 copies in English and 4 copies in Spanish) summarizing the initial findings of the Consultants;
- (2) Progress Reports at 3-month intervals after submittal of the Inception Report (4 copies in English and 4 copies in Spanish), giving a statement of all work performed during the reporting period and a summary of interim findings;
- (3) by July 31 and January 31 of each year, a Statistical Supplement showing personnel employed, equipment ordered and delivered, and sub-contracts entered into for the preceding periods of January 1 to June 30 and July 1 to December 31, respectively;
- (4) a Draft Final Report upon completion of the project (6 copies in English and 6 copies in Spanish), summarizing all work performed, the findings and recommendations of the Consultants, and giving maps, plans and diagrams of the proposed transport development program; and
- (5) a Final Report (in English and Spanish; number of copies to be determined by the Government and the Bank) incorporating all revisions deemed appropriate by the Consultants after receipt of comments on the Draft Final Report from the Government and the Bank.

III. DATA, LOCAL SERVICES AND FACILITIES  
TO BE PROVIDED BY THE GOVERNMENT

A. Economic, Traffic and Technical Data

The Government will provide the Consultants with all available data on:

- (1) the economic development program of Bolivia, including population, agriculture, petroleum, gas, mining and industry;
- (2) traffic by all modes of transport;
- (3) maps of the country and its transport networks;  
and
- (4) cost experience on recent construction projects.

The Government will also furnish the Consultants with all available information on transport costs and revenues and on the organization, operation and accounting system of the Government agencies responsible for transport administration.

B. Cooperation of Governmental Agencies and Counterparts

In connection with work by the Consultants that requires the co-operation of other Government agencies, the Government will provide liaison and will ensure that the Consultants have access to all information required for the completion of the Services.

The Government will assign qualified counterparts to work with the key personnel of the Consultants. The counterparts will be assigned on a full-time basis for the purpose of liaison, training, and review of the findings and recommendations of the Consultants.

C. Facilities and Staff

The Government will provide the following facilities for use by the Consultants in performing the Services:

- (1) (To be completed)
- (2) "
- (3) "

The Government will furnish the following clerical and technical personnel to assist the Consultants in performing the Services:

- (1) (To be completed)
- (2) "
- (3) "

D. Local Transportation for Consultants

The Government will provide the Consultants with \_\_\_\_\_ drivers for vehicles to be procured by the Consultants under this Contract and (to be completed).

IV. TIME SCHEDULE

The Consultants shall commence field work on this project within thirty calendar days of the effective date of this Contract.

The Consultants shall submit the reports mentioned in Section II-D hereof within the following time periods:

- Inception Report - within four months of Contract effective date.
- Draft Final Report - within thirteen months of Contract effective date.
- Final Report - within sixty days of receipt of comments on the Draft Final Report from the Government and the Bank.



Files

November 23, 1966

Alberto J. Favilla

BOLIVIA - Integrated Transport Study

1. A Working Party meeting was held on November 22, 1966, to consider an amendment to Section 4.01 (a) as requested by the Bolivian Government and the Special Fund. Present were Messrs. Reamy, Riley, Knox, Sassoon, Engelmann and Favilla.
2. The Working Party agreed on the following:
  - (a) to modify Section 4.01 (a) along the lines suggested by UNDP and the Bolivian Government, provided that an open-ended statement would be incorporated to this section making certain that in the event of an overrun, the Government would provide additional funds and thus complete the study successfully.
  - (b) after discussing the proposed modification with the UNDP, a letter would be sent to the Government conveying the views of the Working Party.

*Attached Letter NOT Approved  
UNDP is considering - will advise US.*

cc. Messrs. Knox  
Reamy  
Riley ✓  
Sassoon  
Engelmann

AJFavilla:mdk

*M. Riley -*  
*#842*

DRAFT  
AJFavilla:mdk  
November 23, 1966

Dr. Miguel Bonifaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz  
Bolivia

Dear Mr. Minister:

RE: BOLIVIA - Transport Study

Following my letter of November 17, 1966, I am now writing to give you the comments of the International Bank for Reconstruction and Development on your proposed change in Section 4.01 (a) of the Plan of Operations.

We have discussed the matter with the United Nations Development Program (UNDP) and have agreed to a modification of said section (a). We propose that this section now reads as follows:

"The Government shall carry out the Project with due diligence and efficiency and shall provide promptly as needed the counterpart contributions as detailed in the Schedule to this Plan of Operations required for the purpose. In addition, the Government shall also provide promptly as needed all additional funds, facilities, services and other resources which may be required for the completion of the Project".

As you can see, we have taken account of your request and made specific reference to the Schedule in the first sentence of our proposed Section. We note, however, that UNDP's financial contribution to the study is limited. We consider, therefore, that, unlikely event of overrun, the Government would have to be prepared to assume any additional costs to insure that the study is completed

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successfully. This is the reason for our including the second sentence in the proposed modification. I think you will agree that without this condition, neither yourself nor the Bank would have sufficient grounds for asking the Government to provide additional funds, should this ever be necessary.. Our/aim is to help <sup>only</sup> Bolivia undertake a successful integrated transport study and I am sure you will sympathize with our views.

We hope that there will be no difficulty in accepting the proposed modification. We look forward to hearing from you on this matter.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

cc. Messrs. Sassoon, Engelmann, Riley, Reamy and Favilla



FORM No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

# ROUTING SLIP

Date

November 18, 1966

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

*oufil*

November 17, 1966

Dear Mr. Minister:

RE: BOLIVIA - Transport Study

I am pleased to acknowledge receipt of your letter of October 21, 1966, hand-carried by Mr. Riley, setting out the final comments of the Bolivian Government on the draft Terms of Reference, draft Plan of Operations and the list of consultants sent for approval for the proposed transport study.

We have incorporated all the comments made in the draft Terms of Reference and in the draft Plan of Operations, except the one requesting that a reference be made in section 4.01 (a) of the Plan of Operations to the Government funds set forth in the schedule. As Messrs. Riley and Favilla indicated, the language proposed, in addition to being the Bank/UNDP standard for this clause, had been specifically approved in this case by the Special Fund and by the General Counsel of the Bank. We are, however, reviewing your request with the Special Fund and we will be sending you our comments once this review has been completed.

As you correctly indicate in your letter, the more detailed treatment given to roads and highways in the draft Terms of Reference does not indicate that we are attaching lesser importance to the other forms of transport. These are properly covered in the description set forth in section II-B-2 (g), 3, 4 and 5 of the Terms of Reference. It is inevitable, however, that in any study of this kind major attention would be paid to those modes of transportation which appear to be particularly important to Bolivia. I think you will agree that road transport is likely to play a more important role in the economy than either air or river transport, while railroads were extensively reviewed in the Sofrerail report of 1962.

With regard to the observation made about the role of counterparts and the expression of your desire that the counterparts advise the consultants on the political and practical applicability of the proposed recommendations, I would like to say a word on our position. We believe that the consultants



November 17, 1966

have the duty of making recommendations and that these recommendations must be based essentially on economic considerations. We recognize, however, that one role which can be played by counterpart personnel is to make the consultants aware of the practical possibilities of various recommendations. But the final decision on what to recommend must be taken by the consultants.

We have taken into consideration the suggestion made by the Government on the desirability that the consultants be able to communicate in Spanish and that the supporting papers and documents for the study remain in the possession of the Government. On the latter point, however, it is common practice that consultants be permitted to take out of the country any copies of documents they may require in order to complete the project and to document their findings; this will facilitate future reference, to clarify points with the consultants, should questions arise. With regard to the Government's desire that in case of discrepancy the Spanish text would prevail, we would be willing to accept this request provided that the Bank has approved the translation.

We have given careful consideration to your proposal to replace the two USA firms suggested by the Bank, (a) Wilbur Smith & Associates and (b) Daniel Mann, Johnson & Mendenhall in association with Stanford Research Institute, by two other firms: (c) Parsons, Brinckerhoff, Quade & Douglas and (d) Miller, Warden and Western Consulting Engineers. While the selected projects presented in the literature of the two firms suggested by the Bank did not include many examples of studies similar to the one to be undertaken in Bolivia, we have confirmed that both firms (a) and (b) have done substantial work on similar studies in other developing countries. In some instances, the Bank has been associated with these studies; in others it has not, but the results are known to us. In summary we are satisfied that these firms are well qualified to undertake the study here proposed.

The first firm suggested by the Government (c) is equally well qualified for this work, but is at present being considered for a number of other projects with which the Bank is associated; it is the Bank's policy, as you know, to distribute the work on Technical Assistance to the greatest possible number of qualified consulting firms and we therefore recommend that firm (c) not be invited for this project. The second firm suggested by the Government (d) is well qualified in highway and air transport studies but has advised us that they do not have the experience or staff necessary for a survey that also involves rail and water transport; we therefore do not consider this firm qualified for the project. In view of the foregoing, we hope that you will agree that invitations be sent to the two USA firms originally proposed: firms (a) and (b).

We plan to send the draft Terms of Reference to the consultants selected next week, inviting them to submit proposals by January 4, 1967. After review and evaluation of all proposals, the firm judged best for the project



Dr. Miguel Bonifaz Ponce

- 3 -

November 17, 1966

will be invited to come to Washington for negotiations of a contract. The time tentatively set for these negotiations is the week of January 16, 1967. We should very much appreciate if you could designate an authorized representative to participate in these negotiations in Washington.

I would like to take this opportunity to thank you for the kind cooperation given by your office to Messrs. Riley and Favilla during their recent visit to La Paz.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Dr. Miguel Bonifaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
P.O. Box 3116  
La Paz  
Bolivia

Cleared with and cc. Messrs. Riley, Reamy, Engelmann, Lecouna, Favilla  
cc. Mr. Quijano Caballero (UNDP)  
AJFavilla/PEngelmann/ADKnox:mdk

Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

# ROUTING SLIP

Date

November 10, 1966

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

Call Favilla (2656)  
"Yes, of course  
But how about  
legal?"

11/14/66

From

A.J. Favilla

The Working Party

November 10, 1966

Alberto J. Favilla

BOLIVIA - Integrated Transport Study

1. I refer to Mr. Riley's memorandum to the Working Party of November 9, 1966, recommending that we reconsider our position regarding Section 4.01 (a) describing the financial obligation of the Government. As you will recall, the Government requested that a reference be made in this Section to the funds set forth in the schedule.
2. In view of the request of the UNDP for the inclusion of a similar qualifying statement in said Section (a), and of Bolivia's short-run fiscal picture, which would require negotiating for additional funds for the project, I suggest we incorporate to Section 4.01 (a) a qualifying statement as the one suggested by the UNDP and the Government.
3. Do you concur?

cc. Messrs. Knox  
Reamy  
Engelmann  
Webb/Lecount  
Riley

AJFavilla:mdk



file

Working Party

November 9, 1966

Vincent J. Riley

BOLIVIA--Integrated Transport Study (BOL 15)

During the negotiations carried out by Mr. Favilla and myself with the Bolivian Government on the draft Plan of Operation, the Government proposed modification of Section 4.01(a) regarding the obligation of the Government to provide the needed counterpart funds. The Government requested that this obligation be modified by the words "as set forth in the Schedule." The working party felt that this wrongly limited the obligation of the Government and that the Government, as primary beneficiary of the study, should be prepared to provide whatever was needed for its success. The views of the working party were partly influenced by the argument that this terminology has been used for a long period of time in many Special Fund projects and that it has the full support of the UNDP.

On November 4, I was in New York for general discussions with the UNDP. One of these discussions involved the "Draft Standard Plan of Operation" which we have been discussing with the UNDP for some time. The UNDP questioned the terminology of Section 4.01(a) which, in the Draft Standard Plan was identical to the clause in the draft Plan of Operation for the Bolivian Transport Study. They proposed the inclusion of language that was substantively similar to that proposed by the Government of Bolivia. Specifically, UNDP suggested the addition of the words "as detailed in the Schedule of government counterpart contributions (Schedule ---)." The UNDP offers two practical reasons for this. In their experience, it has been much easier for Resident Representatives and Executing Agencies to get governments to meet their obligations where those obligations were fixed and specifically spelled out. Secondly, in most developing countries the maximum government contribution that can be expected without major renegotiation is the sum set out in the Governing Council paper and the Schedule to the Plan of Operation. Accordingly, the UNDP urged that we amend the standard plan in the manner indicated.

In light of this development, I recommended that we <sup>reconsider</sup> ~~relax~~ our position regarding Section 4.01(a) of the Plan of Operation of the Bolivian Transport Study, with the objective of accepting the proposal of the Government, or a modified version thereof.

VJRiley:fph

cc: Messrs. Reamy  
Webb/Steckhan  
Engelmann  
Favilla/Knox



Files

November 8, 1966

Alberto J. Favilla

BOLIVIA - Transport Study

1. A Working Party meeting was held on November 1, 1966, to consider the comments made in a letter, addressed to Mr. Knox dated October 21, brought back from La Paz by Mr. Riley and the writer on the draft Plan of Operations, draft Terms of Reference and the list of consultants submitted to the Government for the proposed study. Present were Messrs. Knox, Reamy, Engelmann, Riley, Steckhan and Favilla.
2. The position of the Working Party on the comments received was as follows:
- a) Draft Plan of Operations: It was agreed to incorporate to the draft all the comments made, except the one dealing with Section 4.01 requesting a reference to the schedule of expenditures describing the local counterpart contribution. Those present felt that it would be undesirable to state in writing that the Government would have a limited obligation in supplying funds for the project. This was particularly so in view that the United Nations Development Programme (UNDP) funds were limited; should a contingency arise and the UNDP funds be totally exhausted, additional funds would be required to complete the project successfully.
  - b) Draft Terms of Reference: It was agreed to enter in the document all the comments set out in the letter. With respect to the observation made on the adequate participation of local counterpart personnel in the final making of recommendations by the consultants in order to ascertain if these would be politically feasible, the members of the Working Party felt that such a participation was already implicit in the Terms of Reference but not necessarily in the way suggested by the Bolivians. The consultants would advise and later on the Government would decide on whether or not these recommendations could be implemented. With reference to the other observations on the coverage of Section II-B-2 (g) with regard to other modes of transportation besides roads, it was agreed that this section fully covered the other forms of transport and did not lessen their relative importance; but it should be indicated to the Bolivians that the major weight given to roads was in accordance with the apparent role that this mode would have in the future development of the country.
  - c) List of Consultants: It was agreed that the consulting firms suggested by the Government (Parsons, Brinckerhoff, Quade & Douglas and Miller, Warden, Western Consulting Engineers, both from USA) for replacing the two USA firms suggested by the Bank (Wilber Smith & Associates and Daniel Mann, Johnson & Mendenhall in Association with Stanford Research Institute) could not be incorporated to the list of consultants because the first one was already being considered for a number of other projects within the Bank and the second one did not have experience in waterways and railroads.

November 8, 1966

d) Miscellaneous observations: With respect to the desire of the Government for incorporating three specific clauses in the contract between the consulting firm and the Government (in the event of discrepancy, the Spanish text will prevail; the desirability of the consultants being able to communicate in Spanish and that all documents and working papers of the consultants would remain as a possession of the Government), it was agreed that the request was reasonable and would be further discussed during negotiations; but it should be indicated at this time to the Bolivians that the Spanish text would prevail provided that the Bank approved the translation.

3. It was finally agreed that a reply would be sent to the Government acknowledging receipt of the letter addressed to Mr. Knox and conveying the position taken by the Working Party.

Cleared with and cc: Mr. Knox

cc: Messrs. Riley  
Reamy  
Engelmann  
Stecklen

AJFavilla:ah



October 31, 1966

Mr. Santiago Quijano-Caballero  
Resident Representative of the  
United Nations Development Programme  
in Bolivia  
Casilla 686  
La Paz, Bolivia

Dear Santiago:

Attached are copies of two letters which, I believe, speak for themselves. In regard to the legal adviser post under the UNTA Program, it would seem that the ball is now in your court--or at least in La Paz. On an appropriate occasion you may wish to point out to the Minister that although the Bank could not include these legal studies under the transport survey, we have promptly kept our promise to support an appropriate request for such assistance from the U.N. I hope we can move with equal dispatch on all the other aspects of the transport program.

In closing, let me again thank you for all your assistance to Mr. Favilla and myself. It was most sincerely appreciated. Certainly, without it, our stay in La Paz would have been both more difficult and less pleasant. To you and all your associates, muchisimas gracias.

Sincerely yours,

Vincent J. Riley

P.S. Miss Bush was pleased to learn that the package arrived and that you are well.

V.J.R.

VJRiley:fph

cc: Mr. Favilla

October 31, 1966

Mr. William Leonard  
Director, Bureau of Technical  
Assistance Operations  
Department of Economic and  
Social Affairs  
United Nations, New York

Dear Mr. Leonard:

In June 1966, the Governing Council of the United Nations Development Programme approved an Integrated Transport Survey of Bolivia (BOL 15). The International Bank for Reconstruction and Development was designated executing agency, and arrangements for engaging a consulting firm to carry out this work are now well advanced.

During recent discussions in La Paz of the Terms of Reference and the Plan of Operation, the Government proposed that provisions be added for assistance, near the end of the survey, to prepare legal texts, regulations, etc., necessary to implement the survey recommendations. Similar advice was also requested in respect to drafting necessary changes or amendments in international agreements affecting Bolivian transport.

These suggestions lie outside the scope of the project approved by the Governing Council and they also lie outside the competence of the transportation consulting firm that will be carrying out the survey. Accordingly, after discussing this matter with the Resident Representative, Mr. Santiago Quijano-Caballero, we recommended that the Government seek this assistance from the United Nations under the regular program of technical assistance.

Under present plans, the transportation survey will commence early in 1967 and last one year. The legal services mentioned would require the services of probably not more than one expert, for a period probably not exceeding six months, beginning early in 1968. Should the Government of Bolivia request such assistance from the United Nations, the Bank would support it as an appropriate follow-up to the transportation survey.

Mr. William Leonard

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October 31, 1966

We would appreciate being advised of any further developments in this matter.

Sincerely yours,

Vincent J. Riley  
Development Services Department

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

Mr. Santiago Quijano-Caballero  
Resident Representative of the  
United Nations Development Programme  
in Bolivia  
Casilla 686  
La Paz, Bolivia

VJRiley:fph

Cleared with and copy to:

Mr. Favilla

cc: Messrs. Engelmann  
Steckhan



Re: DP/SF 310/EOL 15

October 31, 1966

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

Dear Mr. Cohen:

Last week a Bank colleague and I were in La Paz for discussions with the Government on Terms of Reference, the Plan of Operation and the selection of consultants for the Integrated Transport Survey of Bolivia (EOL 15). Agreement was reached on all points and we expect to be approaching consultants shortly and starting field work in January.

In part, at least, our success was attributable to the untiring services of Santiago Quijano-Caballero and his staff who not only provided superlative administrative support but also gave important "diplomatic" assistance at some critical points. We much appreciated his close cooperation and support.

One of the matters which arose in our discussions with the Government was provision of some potentially important legal assistance near the end of the study, probably early 1968. Enclosed is a copy of a letter to Mr. William Leonard, of the Bureau of Technical Assistance Operations, which details the question involved. As noted therein, we would support a government request for technical assistance along the lines proposed, as a valuable supplement to the Special Fund project we will be carrying out.

Another matter which came up in our discussions with the Government was the counterpart agency for the transport survey. The Governing Council paper designated the Ministry of Public Works but the Government has now indicated its desire to have the Ministry of Planning and Coordination as the counterpart. I understand that a letter requesting this change is being sent to the UNDP through the Resident Representative. The Bank has no objection of this proposal.

Finally, there is the matter of the selection of consultants as mentioned in your letter of October 15. Before receiving your letter we had proposed to the Government the names of five firms which we planned to approach regarding undertaking the study (French, German, Dutch and

Mr. Myer Cohen

- 2 -

October 31, 1966

and two U.S.) The Government has agreed to these firms although suggesting changes in the U.S. firms. We took the occasion of our presence in Bolivia to advise the Resident Representative, along the lines of your own advice, that inquiries from local embassies should be directed to the Bank. In the instant project, of course, any future callers presumably would also be advised that agreement has already been reached between the Government and the Bank on a list of consultants to be approached.

Sincerely yours,

Vincent J. Riley  
Development Services Department

Mr. Santiago Quijano-Caballero  
Resident Representative of the  
United Nations Development Programme  
in Bolivia  
Casilla 686  
La Paz, Bolivia

VJRiley:fph

cc: Messrs. Knox/Favilla  
Steckhan  
Engelmann

Mr. Rainer B. Steckhan

October 28, 1966

Vincent J. Riley

Bolivian Transport Study Documents

In reading over the English translation of the Minister's letter of October 21 to Mr. Knox, I found that it suggests a considerable amount of problems that do not exist or modifications that are not made. Much of this is due to the problems of translation from English to Spanish and back into English. I understand that some of these items have caused you some concern. I hope you can forget that concern until the working party meeting on Tuesday afternoon when I believe most of the problems will vanish. If, however, you would like to go over the documents in advance of the meeting, I would be happy to do so. I have the masters of both languages on my desk.

VJRiley:fph

cc: Mr. Knox



Selection Committee

October 25, 1966

Vincent J. Riley

Selection of Consultants--Bolivian Transport Study

Between October 17 and 21, Mr. Favilla and I had discussions with the Government of Bolivia regarding the UNDP approved Bolivian Transport Study. In the course of our discussions the question of selection of consultants received considerable attention and produced a number of interesting developments.

On arrival I discovered that the Government has a two-year contract with Clapp and Mayne, Inc., management consultants, of Santurce, Puerto Rico, to provide advisory assistance to the Ministry of Planning and Coordination in the field of transportation. U.S. AID is financing the contract. The senior adviser, Mr. Norman L. Johnson, has been in La Paz since June and has recently been joined by a second adviser, a citizen of Puerto Rico. Mr. Johnson met me on my arrival at the airport.

In our first meeting with Planning, we briefly explained our practices regarding selection of consultants and also the decision not to include Transportation Consultants Inc., for the reasons set forth in Mr. Knox's letter of September 22. The Minister accepted our explanation on TCI. Mr. Johnson was not present at that meeting.

In the course of the rest of the week, we made several explanations to various Government officials and to Mr. Johnson about our practices in regard to selection of consultants. These were clearly different than the practices of other agencies with which the Government is more familiar and thus they caused some concern. Ultimately, however, they concurred.

There were, however, a number of comments on the firms proposed and, as set forth in the Minister's letter, two specific substitutions were suggested. Much of the discussion of firms involved Mr. Johnson, and the Minister's proposals for replacement of the two American firms clearly originated with Mr. Johnson. Comment on the individual firms may be summarized as follows.

NEDECO. This firm was proposed by the Government. Johnson has had personal correspondence with Jan Tinbergen, who has indicated to him that his institute is frequently asked to undertake the economic aspects of NEDECO studies and "presumably would be asked to do so, by NEDECO, if NEDECO gets this contract." Johnson thinks this highly desirable, even suggested specifying such an association, which I refused to do. Otherwise, the Government had no additional comment.



October 25, 1966

Intertransport. The Government had no experience, except with Seferail, and no questions were raised regarding this firm.

DPU. The Government has had experience with this firm, mostly unfavorable. We were told by the Government people at the first meeting, without Johnson, that they have had considerable difficulty in the past with DPU and generally were unsatisfied both with the firm's relations with the Government and with the results. Johnson later repeated this. In addition, the Deputy Director of AID told us that the U.S. has financed three projects studied by DPU, and all had to be restudied. Finally, there was a newspaper story (copy attached) of IDB's need to redo a study carried out by a German consultant group, Ingenieria Global, which I was told is associated with DPU. Nevertheless, despite this the Government did not, in its formal letter, object to DPU.

Wilbur Smith. Johnson expressed the view that on the basis of its brochure, Wilbur Smith seemed to be strong in engineering but weak in economics. He felt they particularly lacked experience in national transportation planning, especially in a small, remote, developing country like Bolivia. Their work seemed largely concentrated on problems in well-developed countries, particularly the U.S. These were essentially the reasons why it was suggested that Wilbur Smith be dropped.

Daniel, Mann, Johnson, and Mendenhall. Johnson was not acquainted with DMJM but was familiar with the associated organization, Stanford Research Institute. As a senior aviation economist with the Port of New York Authority for many years, Johnson had a number of contacts with SRI people in aviation economics and found them "second rate." Our assertion of our favorable experience with SRI apparently did not move Johnson, since this group also was proposed for dropping.

Miller, Warden, and Western. Johnson was enthusiastic about this firm on the basis of a number of projects carried out by them in Venezuela, some in conditions "very similar to those in Bolivia." As a result, the Government proposed the inclusion of this firm in the consultant list, if acceptable to the Bank.

Parsons, Brinkerhoff, Quade and Douglas. The first we saw mention of this firm in Bolivia, was when we saw the draft of the Minister's letter. Aside from the fact that the idea almost certainly came from Johnson, we have no other information on why it was suggested. We had been expecting possibly another recommendation for TCI.

Transportation Consultants Inc. As mentioned earlier, the Minister accepted the decision to drop TCI. However, TCI has done two highway projects for the Government and is apparently well liked and highly regarded in Government circles. TCI campaigned to get the Government's recommendation for the study. Johnson told us that in August/September a TCI senior partner visited La Paz and told the Government that the Bank was refusing to consider any American firms. This was also told to an "outraged" U.S. ambassador. It would appear that a strong protest was in

October 25, 1966

the making when our letter of September 22 arrived, including, to everyone's surprise, the names of two American firms.

Two general points might also be made.

1. Even in the Ministries in La Paz there are few people who speak English. A number of past technical assistance missions to Bolivia have ended in near total failure because they were staffed largely by non-Spanish speaking people. Accordingly, I believe considerable weight should be given to the Government's request that the individuals assigned, or at least a substantial portion of their number, be able to converse in Spanish. Otherwise, the project will be carried out under almost impossible conditions.
2. The Government and the UNDP have urged that the full consultant team be preceded by an advance ~~body~~ *party* of one or two people for at least a month to get the project organized. This may be essential and I suggested we seriously consider it in our discussions with consultants.

VJRiley:fph

cc: Messrs. Chadenet  
Baum  
Engelmann  
General Vogel



## *Informe del alcalde Baldi*

# BID considera que son incompletos los estudios hechos por Ingeniería Global

Cochabamba, Oct. 19 (EL DIARIO). Según criterio del BID, los estudios hechos por Ingeniería Global para la solución del problema del agua potable son incompletos. Así lo informó el alcalde Baldi, a su retorno de Washington.

El Tcnl. Francisco Baldi que acaba de llegar de Washington, a donde viajó para realizar gestiones con referencia al financiamiento de la provisión de agua potable a Cochabamba reunió a la prensa, para prestar un informe de su cometido.

Comenzó por historiar los diferentes trámites hechos anteriormente, desde 1948, en que intervinieron la empresa de ingenieros Alfredo Marrón y Carlos Saavedra, los organismos técnicos de la comuna y la firma francesa Seureca.

Se refirió luego a la gestión gubernativa hecha por intermedio del Ministerio de Economía con la firma alemana Ingeniería Global, para efectuar estudios de factibilidad de dotación de agua potable y renovación del sistema de alcantarillado, trabajo que no significó gasto alguno para la municipalidad.

Este trabajo se tradujo en un plan maestro que Ingeniería Global puso en manos del Ministerio

de Economía, haciéndose conocer, al mismo tiempo, a la Alcaldía y a personeros de la Corporación Boliviana de Fomento y el BID. Como emergencia, el ministro solicitó al BID el préstamo destinado al financiamiento de los estudios complementarios y los proyectos definitivos de la provisión de agua y renovación del alcantarillado.

El alcalde Baldi se reunió expresamente con el presidente del BID, Samuel Herrera, el ministro Rolando Pardo y el gerente de operaciones de la CBF, Joaquín Paz Soldán, oportunidad en la que solicitó conocer el criterio de esa entidad internacional sobre el pedido de crédito de 2.650.000 dólares para el referido proyecto de agua potable, manifestando su urgente necesidad. Expresó que la base del financiamiento, constituyen los estudios realizados por Ingeniería Global que son suficientemente concretos, citando como ejemplo el caso del agua potable de Oru-

ro, financiado sobre la base de los estudios hechos por la misma firma alemana.

Luego de largas consultas y estudios, se llegó a establecer el criterio del BID, consistente en los siguientes puntos: 1) Los estudios realizados por Ingeniería Global, son incompletos, motivo por el cual no fueron siquiera considerados; 2) Es imperativo estudiar en forma más exhaustiva este problema, a través de la utilización de aguas subterráneas, porque resulta más económico para la empresa prestataria de este servicio y porque, cuanto menor sea la cantidad del empréstito, será mejor cubierto en los términos señalados. 3) El BID está de acuerdo que la firma Boyle Engineering sea la empresa consultora que complementa los estudios. 4) El BID ha concedido el empréstito para el proyecto de agua potable, sin haber determinado las cifras exactas, toda vez que la Boyle presente estudios exigiendo mayor cantidad aún que la prevista en la actualidad. Esto quiere decir, según Baldi, que al finalizar los estudios completos, talvez en un plazo de 60 días se podrá emprender los trabajos necesarios para esta ciudad.

Finalmente, al alcalde Baldi, manifestó su complacencia por la labor cumplida en este viaje.



Republic of Bolivia  
OFFICE OF THE PRESIDENT  
Department of Planning and Coordination

La Paz,  
October 21, 1966

Mr. A. David Knox,  
Western Hemisphere Department,  
World Bank,  
1818 H Street, N.W.,  
Washington, D. C. 20433.

Dear Mr. Knox,

At the working meetings held from October 17 to 21 between Mr. Vincent J. Riley and Mr. Alberto J. Favilla and authorized officials of this Department, the following agreements were reached, which constitute a formal commitment on the part of the Bolivian Government and the International Bank for Reconstruction and Development.

1. Executive Agency of the Bolivian Government

Although the Government had specified that its Executive Agency is the Department of Planning and Coordination, the Special Fund gave different instructions. This error within the United Nations administration should be corrected and the Resident Representative of Bolivia has been asked to intervene to that effect.

2. Terms of Reference

The Spanish version of the Terms of Reference sent by the Bank at the beginning of this month has not yet reached this Department and it was therefore necessary to base the discussion on a translation made by the United Nations office in La Paz.

A number of comments and amendments have been incorporated that clarify the purposes of the study and give greater precision to terminology. The amendments made to the Spanish text are indicated in the phrases underlined below:\*

---

\* (Translator's note:- These Spanish phrases can be translated into English only very approximately, in the absence of context. For example, it is impossible to distinguish whether "convenios internacionales" means international conventions or agreements; the latter is more probable.)

TRANSLATION SECTION 1908/66

Translated From: Spanish 10-25-1966 By: GAG:pd

- P.7
- a) Chapter II, Section B, para. d): *part 2*

Point 5 is worded as follows:

" 5) The financial ~~situation~~ <sup>condition</sup> of Bolivian enterprises and agencies engaged in domestic and foreign air ~~transportation and~~ <sup>and competition among</sup> ~~competition between them.~~"\* <sup>service.</sup>

- P.9
- b) Ditto, para. g)

*No change in English*

In line 3, the phrase "costos efectivos" (actual or effective costs) has been replaced by "costos reales" (actual or real costs). In line 4, the word "incluyendo" (including) has been deleted.

- incorrect*
- c) Chapter II-B, para. g-3:

The wording has been changed to:

"3) Shall summarize, analyze and evaluate <sup>all existing laws,</sup> ~~the present legal provisions,~~ international agreements, the taxation system.....".

Para. g-5:

"5) shall study thoroughly the organization and operation of ~~each of~~ <sup>also comma</sup> the governmental agencies....."

- d) Chapter II-B, section 3:

The text has been amended to read:

*No change in English*

"..... transportation of the country. The consultants shall evaluate the various alternatives, improvements and expansions that it is possible to carry out....."

Further on, the text is amended as follows:

*No change in English*

".... the new investments necessary for each alternative or ~~improvement~~ <sup>item</sup>....." (last line of page 13).

".... In the economic benefit there shall be included the reductions in the costs of transportation....." (line 1, page 14).

".... the net value of the increase in aggregate production. The calculations shall be drawn up....." (line 6, page 14).

\* T.N.: Nothing underlined.



e) Chapter II-B, section 4

".... shall formulate specific recommendations for a development program for the said sector. The program for the first five years shall be drawn up in detail (1968-1972) and for the subsequent years in more general form (1973-1977). These recommendations shall comprise a minimum program....." (line 3 of the paragraph).

f) Chapter II-B, section 5, para. 5)

".... the establishment, abolition, continuation ..." (line 4, page 16).

Ditto, para. 7):

".... and plans relative to a coordinated system of transportation, including the type of organization that is feasible, the scope of its functions, its financing and the needs ...."

3. Other observations concerning the Terms of Reference

It was agreed that in order that they may be based on practical possibilities of implementation, recommendations that involve political decisions shall be formulated with the participation of the Bolivian counterpart in those recommendations.

It was specified that the greater detail of the terms of reference in Chapter II-B: Highways and Road Transportation shall not be interpreted to reduce the consideration given to other transportation media, which will be referred in each case to the provisions of para. g) and sections 3, 4 and 5 of Chapter II-B.

4. Clauses to be incorporated into the Contract

The Department of Planning proposed the inclusion of 3 clauses with which the consultants shall comply. These clauses, which were accepted by the Representatives of the Bank, are:

- a) In the event of discrepancy between the Spanish and English texts, the Spanish text shall prevail.
- b) The Bolivian Government considers it desirable that all the consultants be fluent in Spanish.
- c) All drafts, memoranda, calculations, diagrams, illustrations, photographic material, etc. used in the preparation of the reports of the consulting firm shall remain in the possession of the Bolivian Government.

5. Availability of governmental funds for the project

The National Department of Planning agrees to transmit as soon as possible a legally valid document authorizing the release of funds out of the national contribution to the project.



As the disbursement timetable is not yet available, it is agreed to arrange for the budgeting of a first appropriation amounting to 40 per cent of the total contribution, a second appropriation for 30 per cent of the total, a third for 20 per cent and the last for 10 per cent, in quarterly appropriations, thus covering the 12 months duration of the project.

The Ministry of Finance will also indicate the date with effect from which it will release funds for the project. This date shall not be later than January 1, 1967.

#### 6. Program of Operations

The following amendments have been made to the Spanish text of the Program of Operations:

##### a) Article IV, Section 4.01:

".... and shall provide the funds <sup>schedule</sup> set forth in the timetable of the program of expenditure as soon as they are required...."

##### Section 4.02, para. b):

"b) The Government shall provide the constructors with all important information available for the project.

##### b) Section 4.07, para. (iii):

".... for their use or personal consumption, in accordance with provisions applicable to the foreign staff of the United Nations and international agencies, after having been admitted into the territories of the Republic....."

##### Section 4.11:

".... shall not authorize the public circulation of the reports....."

##### c) Section 8.02:

The address for communications with the Republic of Bolivia is established as follows:

"..... Secretaría Nacional de Planificación y Coordinación, Cajón Postal 3116. Cables "SEDEPLA", La Paz, Bolivia."

#### 7. List of Consultants

With reference to the consulting firms proposed by the Bank for the transportation study in accordance with Chapter IV, Section 4.01 b) it is suggested that the firms

*We considered  
but I dropped  
Hansen see p. 17 Term Ref.*

*Revise*

*No change in  
English -  
but see suggestion*

*See also  
p. 10*

Wilbur Smith & Associates

(U.S.A.)

and

Daniel, Mann, Johnson & Mendenhall in  
association with Stanford Instituto de  
Investigación

(U.S.A.)

be replaced by the firms

Parsons, Brinckerhoff, Quade & Douglas

(U.S.A.)

and

Miller - Warden - Western Consulting Engineers (U.S.A.)

provided that the latter firms meet the conditions required by the Bank  
for the execution of this study.

Yours truly,

(signature)

Dr. Miguel Bonifaz Ponce,  
Minister of Planning and Coordination

OEZ/BdeM.





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 3116  
CABLES «SEDEPLA»

1810-66

Octubre, 21 de 1966.

Al señor

A. David Knox  
Western Hemisphere Department  
BANCO MUNDIAL

1818 H. Street, N.W.  
Washington, D.C. 20433

Señor Knox:

Entre los días 17 a 21 de octubre, se han celebrado reuniones de trabajo con los señores VINCENT J. RILEY y ALBERTO J. FAVILLA y funcionarios autorizados de esta Secretaría, habiéndose llegado a los siguientes acuerdos, los mismos que constituyen un compromiso formal del Gobierno Boliviano y el Banco Internacional de Reconstrucción y Fomento.

Los acuerdos son los siguientes:

1. Agencia Ejecutiva del Gobierno Boliviano.- No obstante que el Gobierno había definido que su Agencia Ejecutiva es la Secretaría de Planificación y Coordinación el Fondo Especial dió instrucciones diferentes. Este error surgido en los organismos administrativos de Naciones Unidas debe ser corregido por el Administrador del Fondo Especial y en ese sentido se ha pedido la intervención del Representante Residente en Bolivia.
2. Términos de referencia.- Los Términos de Referencia en español enviados por el Banco a principios de este mes, aún no han llegado a esta Secretaría, de modo que tuvo que discutirse en base a una traducción elaborada por la oficina de Naciones Unidas en La Paz.





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

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CAJON POSTAL 3116  
CABLES «SEDEPLA»

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Se han incorporado varias observaciones y enmiendas tendientes a clarificar los objetivos del estudio, dando una mayor precisión a los conceptos. Las enmiendas introducidas al texto en español están señaladas en las frases subrayadas que a continuación se indican:

- a) En el Capítulo II, subtítulo B, inciso d). El punto 5) queda redactado así:
- " 5) La situación financiera de las empresas y organismos bolivianos que se dedican al tráfico aéreo interior y exterior y la competencia entre los mismos".
- b) Inciso g) del mismo capítulo y subtítulo anterior: se cambió la frase "costos efectivos" por "costos reales" (línea 3) y se suprime la palabra "incluyendo" (línea 4).
- c) En el Capítulo II-B inciso g-3), la redacción fué cambiada así:
- " 3) Resumirán, analizarán y evaluarán las actuales disposiciones legales, convenios internacionales, el sistema tributario...."
- En el inciso g-5) del mismo capítulo:
- " 5) analizarán a fondo la organización y funcionamiento de cada uno de los organismos gubernamentales ..."
- d) En el subtítulo 3 del capítulo II-B el texto se modifica así:
- " .... transporte del país. Los consultores evaluarán las distintas alternativas, mejoras y ampliaciones que se pueden efectuar....."
- Y más adelante el texto se modificó así:
- " .... las nuevas inversiones necesarias para cada alternativa o mejora ...." (última línea de la pág.13 )
- " .... En el beneficio económico se incluirán las reducciones en los costos de transporte....." (1ra. línea pág. 14)





PRESIDENCIA DE LA REPUBLICA  
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- 3 -

"... el valor neto del aumento de la producción agrega  
" da . Los cálculos se establecerán...." (línea 6  
" pág. 14.)

e) En el subtítulo 4 del capítulo II-B:

" ... formularán recomendaciones específicas para un  
" programa de desarrollo de dicho sector. El programa  
" para los cinco primeros años será preparado en de-  
" talle(1968-1972) y para los años subsiguientes en  
" forma más general (1973-1977). Estas recomendaciones  
" comprenderán un programa mínimo ....." (línea 3 del  
inciso)

f) En el subtítulo 5 del capítulo II-B inciso 5):

" ..... el establecimiento, supresión, continuación.." (línea 4 pág. 16)

En el inciso 7) del mismo subtítulo:

" ..... y planes relativos a un sistema coordinado de  
" transportes, incluyendo el tipo de organización que  
" es viable, el alcance de sus atribuciones, su finan-  
" ciamiento y las necesidades.... "

3. Otras observaciones a los términos de referencia.- Se acordó que las recomendaciones que involucren decisiones políticas ; para basarse en las posibilidades prácticas de su implantación, serán realizadas con la participación oportuna de la contraparte boliviana en dichas recomendaciones.

Se estableció que el mayor detalle en los términos de referencia en el capítulo II-B: Carreteras y transporte terrestre, no será interpretado en sentido de reducir la consideración de otros medios de transporte, los cuales serán referidos en cada caso a lo especificado en el inciso g) y los subtítulos 3, 4 y 5 del capítulo II-B.





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
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AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22243 - 29224 - 28733

CAJON POSTAL 3116  
CABLES "SEDEPLA"

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4. Claúsulas que deben incorporarse al contrato.- La Secretaría de Planificación propuso la inclusión de 3 cláusulas que deberán cumplir los consultores, las mismas que han sido aceptadas por los Representantes del Banco, estas cláusulas son:
- a) El texto en español en caso de discrepancia con el texto en inglés tendrá mayor valor que este último.
  - b) El Gobierno boliviano considera deseable que todos los consultores tengan fluencia en el habla española.
  - c) Todos los borradores, notas, cálculos, esquemas, material gráfico, fotográfico, etc. que sirva para la elaboración de los informes de la firma consultora quedarán en poder del Gobierno de Bolivia.
5. Disposición de fondos gubernamentales para el proyecto.- La Secretaría Nacional de Planificación conviene en enviar, a la brevedad posible, un documento con validez legal que autorice la liberación de fondos de la contribución nacional al proyecto.

Al no disponerse aún del calendario de desembolsos, se conviene en gestionar la presupuestación de una primera partida con un monto equivalente al 40% de la contribución total, una segunda por un monto equivalente al 30% del total, una tercera con el 20% y la última con el 10%, en partidas trimestrales, cubriendo así los 12 meses que durará el proyecto.

El Ministerio de Hacienda también indicará la fecha a partir de la cual liberará fondos con destino al proyecto. Esta fecha no debe ser posterior al 1°. de enero de 1967.

6. Plan de Operación.- Se introdujeron las siguientes modificaciones en el texto español del plan de operaciones:

a) Artículo IV, Sección 4.01:

"..... y deberá proporcionar los fondos consignados en el calendario del plan de gastos tan pronto como se los necesiten.."





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

AV. 80 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22243 - 29224 - 28733

CAJON POSTAL 3116  
CABLES "SEDEPLA"

- 5 -

En la Sección 4.02 inciso b) :

" b) El gobierno proporcionará a los constructores toda información de importancia disponible para el proyecto.

b) En la sección 4.07 inciso iii):

" ..... para su uso o consumo personal, de acuerdo a disposiciones aplicables al personal extranjero de Naciones Unidas y organismos internacionales, después de haber sido internados en los territorios del Gobierno .....

Sección 4.11:

" ..... no autorizará la circulación pública de los informes....."

c) Sección 8.02, la dirección para las comunicaciones con la República de Bolivia se establecen así:  
" ..... Secretaría Nacional de Planificación y Coordinación  
" Cajón Postal 3116. Cables "SEDEPLA" - La Paz, Bolivia.

7. Lista de consultores.- Con referencia a las firmas de consultores propuestas por el Banco para el estudio de transportes, de acuerdo al Capítulo IV, Sección 4.01 b) se sugiere el cambio de las firmas:

Wilbur Smith & Associates (U.S.A.)

Daniel, Mann, Johnson &  
Mendenhall en Asociación con  
Stanford Instituto de Investigación (U.S.A.)

por las firmas:

Parsons, Brinckerhorff,  
Quade & Douglas (U.S.A.)

Miller - Warden - Western  
Consulting Engineers (U.S.A.)





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

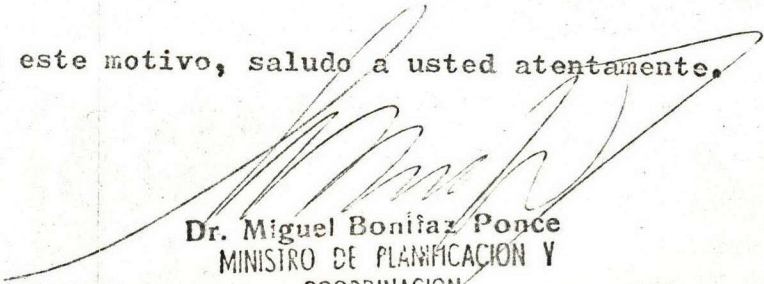
AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22243 - 29224 - 28733

CAJON POSTAL 3116  
CABLES «SEDEPLA»

- 6 -

siempre y cuando éstas reúnan las condiciones requeridas  
por el Banco para ejecutar el estudio.

Con este motivo, saludo a usted atentamente.

  
Dr. Miguel Bonifaz Ponce  
MINISTRO DE PLANIFICACION Y  
COORDINACION

OZZ/BdeM.

COPY

Ministry of Finance  
Bolivia

Department of the Budget

La Paz, October 21, 1966

REF. No. 01-65-66

Mr. Miguel Bonifaz  
Minister of Planning and Coordination  
La Paz

Dear Sir,

I am writing to acknowledge the receipt of your letter No. 1726 of 13 October 1966, in which you kindly indicate the program of work to be completed and the outlay to be incurred under the plan for an overall study of transportation in Bolivia.

My Department, in accordance with the program proposed by the International Bank for Reconstruction and Development (IBRD), has arranged for the Bolivian Treasury to set aside, in the budget for the 1967 financial year, the sum of US\$45,000, as the Bolivian Government's contribution to the cost of equipment, services and facilities, and the sum of US\$123,000, or its equivalent in Bolivian currency, to meet the local costs of the firm of consultants.

I remain,

Yours very truly,

(Signed)

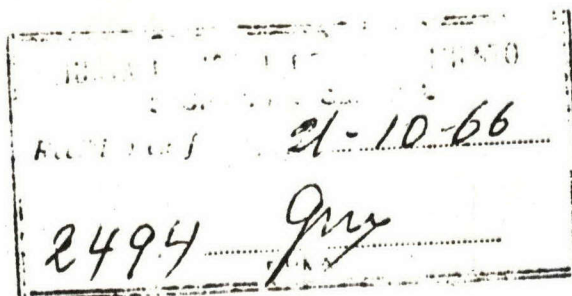
Jose Romero Loza  
Minister of Finance





MINISTERIO DE HACIENDA  
BOLIVIA

Dirección de Presupuesto.



No. 01-65-66.

La Paz, 21 de octubre de 1966.

Señor  
Miguel Bonifáz  
Ministro de Planificación y Coordinación  
Presente.

Señor Ministro:

Acuso recibo a su atenta nota N° 1726 de fecha 13 del mes en curso, en la que se sirve hacer conocer el calendario de trabajos a cumplirse y los gastos a efectuarse dentro el plan del estudio integral de los transportes en Bolivia.

El Despacho a mi cargo atendiendo el calendario propuesto por el Banco Internacional de Reconstrucción y Fomento (BIRF), ha dispuesto que el Tesoro General de la Nación consigne las partidas de \$us. 45.000.-- como aporte del Gobierno de Bolivia en equipos, servicios y facilidades, además de la suma de \$us. 123.000.-- o su equivalente en moneda nacional con destino a sufragar los gastos locales de la empresa consultora, en el Presupuesto de la gestión económica de 1967.

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

JOSE ROMERO LOZA  
Ministro de Hacienda

*Anexo*

*RBA/zac.*



INCOMING CABLE

DATE AND TIME  
OF CABLE:

OCTOBER 20, 1966 2008

LOG NO.:

ITT 5/21

TO:

INTBAFRAD

FROM:

LA PAZ

ROUTING

ACTION COPY:

PROJECTS-TRANSPORTATION

INFORMATION  
COPY:

PROJECTS-342

DECODED BY:

MR. DEMUTH

TEXT:

FOR ENGELMANN

AGREEMENT REACHED WITH ONLY MINOR CHANGES WORDING ON TERMS REFERENCE  
AND PLANOPS. GOVERNMENT WILL PROPOSE SUBSTITUTES FOR AMERICAN FIRMS.  
WRITTEN CONFIRMATION ABOVE AND ON COUNTERPART FUNDS EXPECTED FRIDAY.  
PLEASE ADVISE DEMUTH DEPARTING BOLIVIA FRIDAY

RILEY

FAMILY NOTIFICATION BEING MADE

MT



GENERAL FILES  
COMMUNICATIONS

OCT 21 9 07 AM 1966

UNITED STATES DEPARTMENT OF JUSTICE

MEMO

TO: DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

FROM: SAC, NEW YORK (100-157341) (P)

SUBJECT: JAMES EARL RAY; AKA; ALIEN; C; R; S; T; U; V; W; X; Y; Z

RE: NEW YORK TELETYPE TO BUREAU, OCTOBER TWENTY, SIXTY SIX.

FOR INFORMATION

100-157341

100-157341

100-157341

100-157341

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NY 100-157341

NY 100-157341

NY 100-157341

RE: NEW YORK TELETYPE TO BUREAU, OCTOBER TWENTY, SIXTY SIX.

RE: NEW YORK TELETYPE TO BUREAU, OCTOBER TWENTY, SIXTY SIX.

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RE: NEW YORK TELETYPE TO BUREAU, OCTOBER TWENTY, SIXTY SIX.

RE: NEW YORK TELETYPE TO BUREAU, OCTOBER TWENTY, SIXTY SIX.

ENCLOSURE

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

5 October 1966

Dear Dick,

Subject: Bolivia - Integrated Transport Survey

I wish to refer to the Bank's attention the following matters raised by the Resident Representative in recent cables to us.

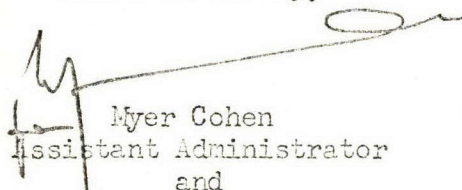
The Government has informed the Resident Representative that counterpart funds for the project will be available as of the first week in January, as provided in the 1967 budget.

The Government adds that further local preparations are required. The Planning Ministry was to have started meetings in mid-September to collect comprehensive background material reflecting all transport requirements related to existing and potential economic development plans and requirements. It urges, nevertheless, the earliest possible arrival of the Project Manager. This would enable him to become thoroughly familiar with the project, thereby facilitating an immediate commencement of field operations by the full team in January.

The Resident Representative notes that he has received official enquiries from Italian and other embassies regarding possible participation of firms from their countries in bidding for the subcontracted portion of the project. We are informing him to direct these queries and any others concerning the operation of the project to the Bank, as Executing Agency.

In line with the last point mentioned and in the interest of smooth co-ordination of project operations, we would appreciate it if the Resident Representative could be kept informed of the project's progress and consulted on matters relating to it, when appropriate.

Yours sincerely,

  
Myer Cohen  
Assistant Administrator  
and

Director, Bureau of Operations and Programming

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

cc: Engelham/Wright  
Favilla



*on file*

October 5, 1966

Dear Mr. Minister:

Re: BOLIVIA - Transport Survey

Reference is made to your letter of September 27, 1966, to Mr. Knox which was referred to me for reply since Mr. Knox is not in Washington at this time.

In your letter you indicate the Government's desire to invite a larger number of consultants than the five firms submitted for this project by the Bank. On technical assistance work of this type, it is the policy of the Bank to limit the invitations to four or five consultants because we have found that the quality of proposals received from consulting firms is much higher when they know that only a small number is being invited. In addition, the evaluation of consultants' proposals, which comprises an assessment of each individual proposed by the firms to be assigned to the project and involves considerable time and effort on behalf of the Bank's staff. We, therefore, do not favor extending the number of firms.

The five firms suggested and submitted to the Government for approval were considered by the Bank, either on the basis of past performance on projects with which the Bank was involved or on the basis of association by the firms with highly qualified specialists, exceptionally well suited for this project.

We hope that the foregoing will be given consideration by your Government in commenting further on the list of consultants submitted. Following your suggestions, Mr. Vincent Riley of the Development Services

Dr. Bonipaz Ponce

- 2 -

October 5, 1966

Department and myself plan to be in La Paz in the week of October 16 for discussions with you and other Government officials on this project. At that time, we will transmit to you background information on the five firms which were submitted to the Government for approval.

With best regards,

Sincerely yours,

Alberto J. Favilla  
Western Hemisphere Department

Dr. Miguel Bonipaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and  
Coordination  
La Paz, Bolivia

Cleared with and cc. Mr. Engelmann

cc. Messrs. Knox o/r, Reamy, Riley, Steckhan, Wyss

AJFavilla:mdk  
PEngelmann/AJFavilla:mdk



*one file*

October 4, 1966

Dear Mr. Minister:

I am transmitting herewith for comment three copies of the draft Plan of Operation for the Integrated Transport Survey which, at the request of the Bolivian Government, the United Nations Development Programme is financing and for which the International Bank for Reconstruction and Development agreed to act as the executing agency.

You will notice that the schedule entitled "Budget and Plans of Expenditure" on the Special Fund allocation and on the Government counterpart contribution is still incomplete. This will be completed once the consultants have submitted their proposals. At that time, we will send you this schedule for comments. In the meantime, you may wish to study the provisions of the attached Plan of Operation and send us your comments as soon as possible.

With best regards,

Sincerely yours,

Alberto J. Favilla  
Western Hemisphere Department

Dr. Miguel Bonipaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
La Paz  
Bolivia

Cleared with and cc. Mr. Steckhan  
cc. Messrs. Knox o/r

Reamy  
Riley  
Engelmann  
Wyss

AJFavilla:mdk

Files

September 28, 1966

A.J. Favilla

BOLIVIA - Transport Study

1. Messrs. Reamy, Knox, Riley, Engelmann, Steckhan and Favilla met on September 26, 1966, to consider the comments received from the UNDP and the Bolivian Government, respectively, on the draft Plan of Operations and on the draft Terms of Reference for the proposed transport study.
2. With regard to the Plan of Operations, it was agreed to incorporate in the new draft all the comments sent by the office of the UNDP's administrator except the one dealing with the inclusion of a separate provision for controlling the procurement of a special laboratory and field work equipment. Those present felt that such a provision could delay and complicate matters unduly through additional paper work and cumbersome reporting procedures which are required by the UNDP. The Bank exercises, as it is a common practice, considerable control over the Government's procurement, and in view of the small number of procurements contemplated in the transport study, this standard procedure seems to be sufficient. It was agreed that once the schedule giving a detailed break-down of UNDP's funds and of the Government's counterpart contribution is completed, a new draft Plan of Operations would be sent to the UNDP, indicating in the letter of transmittal that a special provision for controlling procurement activities does not seem to be required.
3. On the comments received on the draft Terms of Reference from the Bolivian Government, the Working Party felt that a visit by members of the Transport Division and Area Department to discuss orally the comments received was desirable, such a visit had also been requested by the Minister of Planning. The exchange of opinion by mail with the Bolivians has so far proved to be troublesome. It was further suggested that Messrs. Engelmann and Favilla visit Bolivia towards the middle of October and discuss with the proper authorities the outstanding issues. After Mr. Engelmann had consulted his Front Office on the appropriate time of his visit, a new meeting to discuss in detail the comments received from the Bolivian Government would be held in the course of the present week.

Cleared with and cc.: Mr. Knox

cc. Messrs. Reamy  
Riley  
Steckhan  
Engelmann, Wyss  
AJFavilla:mdk



September 22, 1966

Dear Mr. Minister:

I am transmitting herewith for approval a list of consultants for the transport study which, at the request of the Bolivian Government, the United Nations Development Program is financing and for which the International Bank for Reconstruction and Development agreed to act as executing agency.

We submit the following names of consultants to the Bolivian Government:

|                                                                                          |               |
|------------------------------------------------------------------------------------------|---------------|
| Intertransport                                                                           | (France)      |
| Deutsche Projekt Union                                                                   | (Germany)     |
| NEDECO                                                                                   | (Netherlands) |
| Wilbur Smith & Associates                                                                | (U.S.A.)      |
| Daniel, Mann, Johnson & Mendenhall<br>in Association with Stanford<br>Research Institute | (U.S.A.)      |

These firms are considered by the Bank to be well qualified to undertake the transport study. You will notice that this list includes the two firms mentioned in your letter of September 7, 1966: NEDECO and SOFRERAIL. The latter is included in Intertransport which is an association of three French consultant firms: SOFRERAIL, INGERROUTE and BCEOM.

With reference to the inclusion of Transportation Consultants, Inc. in the list of consultants which you suggest in your letter of September 8, 1966, this firm has been given serious consideration and has done studies financed by the UNDP in the past. However, in order to retain an appropriate international blend of the firms being invited to submit proposals, we do not recommend their inclusion in this list.

Dr. Bonipaz Ponce

- 2 -

September 22, 1966

After receipt of approval by the Bolivian Government, the Bank will invite each of the firms listed above to submit proposals based on the terms of reference previously prepared.

With best regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Dr. Miguel Bonipaz Ponce  
Minister of Planning and Coordination  
National Secretariat of Planning and Coordination  
La Paz  
Bolivia

cc. Mr. Pacheco (Bolivian Embassy)  
Cleared with and cc. Mr. Engelmann  
cc. Messrs. Remy  
Riley  
Steckhan  
Favilla

AJFavilla:mdk



Mr. Riley  
Our file

Mr. Alberto J. Favilla

September 20, 1966

Warren C. Baum

BOLIVIA - Transport Survey

At a meeting of the Selection Committee last week, it was decided to submit the following names of consultants to the Government of Bolivia for their approval:

|                                                                                       |               |
|---------------------------------------------------------------------------------------|---------------|
| Intertransport                                                                        | ( France )    |
| Deutsche Projekt Union                                                                | (Germany )    |
| Wilbur Smith & Associates                                                             | (U. S. A.)    |
| Daniel, Mann, Johnson & Mendenhall in association with<br>Stanford Research Institute | (U. S. A.)    |
| NEDECO                                                                                | (Netherlands) |

Based on the information available to the Bank and its past experience, these firms are considered to be well qualified to undertake the transport survey of Bolivia. After receipt of approval by the Government, we would invite each of the firms listed above to submit proposals based on the terms of reference previously prepared.

You may wish to point out in your transmittal of the above names to the Government that Intertransport is the name of the association of French consultant firms which includes Sofrerail, Ingeroute and BCEOM; the study would probably require members of the staff of each of the component firms of Intertransport.

PEngelmann:vbm

cc: Mr. Riley ✓  
Gen. Vogel  
Mr. Adler  
Mr. Main

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

15 September 1966

Dear Dick,

Subject: BOLIVIA: Integrated Transport Survey

I write with reference to Mr. Rivkin's letter dated 12 August 1966 requesting our comments on the first draft Plan of Operation for the above named project in Bolivia. We have noted Mr. Rivkin's explanation of the new structure of the draft and we should like to express our appreciation for the review of the format that the Bank has undertaken and look forward to receiving the draft standard plan for our perusal and comments. In the meantime, our comments on the draft Plan of Operation for the Bolivian project only are indicated below.

- OK
1. Title of Project. Our preference would be for the title "Integrated Transport Survey", as given in the Governing Council document, for its clarity.
  - OK. 2. Section 1.03 (b). In the last line of the quoted paragraph 3, please replace the term "Managing Director" by "Administrator".
  3. Section 2.01 (b). The project as approved by the Governing Council provides for recommendations on the organization and administration of each type of transport (paragraph 12 of DP/SF/R.2 Add. 4) besides those on an organization dealing with all forms of transport. We should like to suggest that this section be completed by the following phrases: "...and regulate all forms of transport; and recommendations on ways of improving the organization and the administration of each type of transport." Also, after the first semicolon appearing in this section, the word "and" could be deleted.

2.01(a)

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

/...





- 2 -

4. Section 2.01 (d). The Project is to include also fellowships and provision of certain laboratory and field equipment, which is not now mentioned in Article II which enumerates the items of which the Project will consist. We suggest, therefore, the inclusion of a final paragraph in this section, which may read as follows: "(d) the assistance to the Government in training selected professional staff under fellowships and by making available special laboratory and field work equipment."

5. Section 2.03. We would suggest that the word "equipment" be included after the words "services and facilities" as equipment is also one of the items to be provided for the Project.

6. Section 4.09 (c). The words "the fellowships awarded" need not appear in brackets.

NOT necessary  
Here but [ 7. Section 5.01. It is our understanding that an appropriate amount of control is exercised by the Bank over the Government's procurement activities. If necessary an additional provision could be included to this effect in the Plan of Operation.

8. Section 8.02. The zip code address of the Special Fund should be "New York, N. Y. 10017."

9. Schedule. We assume that this will reflect the detailed information on the Special Fund Allocation and Government Counterpart Contribution in the next draft.

In the Plan of Expenditure it would be sufficient to simply use the term "Special Fund Allocation" in view of the definition (a) of the Section 1.01.

In the absence of a completed Schedule we cannot make further comments at this time; we would be glad, however, to review it as soon as this is furnished.

Yours sincerely,

A handwritten signature, likely of Myer Cohen, written in dark ink.

Myer Cohen  
Assistant Administrator  
and

Director, Bureau of Operations and Programming

September 8, 1966

Dear Ing. Zapata:

Re: BOLIVIA - Transport Survey

We regret the delay in answering to your letter of July 1, which unfortunately reached us only on August 11.

I should explain that under projects financed by the UN Development Programme the Bolivian Government's contribution to the cost of experts is not limited to \$3,600 for the local expenses of the Project Manager. Indeed, the Government is expected to cover all local currency costs for the experts employed on the project. In the case of the proposed transport study these experts, other than the Project Manager, are listed in the UNDP Administrator's recommendation under the heading of "subcontracts", for which the UNDP allocation is \$725,000. Thus the contribution towards the total cost of experts, which will be required of the Bolivian Government, will far exceed \$3,600.

To estimate the size of this contribution, we have now reviewed once more the question of funds available in the total of US\$ 265,000 equivalent allocated for contributions by the Bolivian Government to the subject study. In particular, we have looked at the figure of US\$ 120,000, identified as Item 4 in your letter, with the view to determining what part of this amount might be allocated to expenditures incurred by the Government in connection with the preparatory work to be undertaken prior to the arrival of the Consultants. The major cost elements to be covered by this budget item are the per diem expenses of the Consultants' personnel while in Bolivia and the out-of-pocket costs to the Consultants which will be reimbursable in local currency. The per diem rate will, of course, be subject to negotiation with the selected Consultants, prior to signing of a contract, as will the items for the direct reimbursement, such as local air transportation, taxi cabs, etc. There is, of course,



Ing. Zapata

- 2 -

September 8, 1966

a certain amount of risk in predicting the outcome of negotiations with selected Consultants, but we feel that the following estimate may be used for budgetary purposes at this time:

Per diem reimbursement for Consultants' personnel while in Bolivia

122 man-months at US \$ 500-----US\$ 61,000

Direct reimbursable items in local currency (local air transportation, taxis, etc.)

12 months at US\$ 1,000-----US\$ 12,000

Contingencies-----US\$ 7,000

Total-----US\$ 80,000 equivalent  
\*\*\*\*\*

This would indicate that, of the US\$ 120,000 available under Item 4 given in your letter, at least US\$ 80,000 should be ear-marked for direct reimbursement to the Consultants. We would have no objection to expenditures by your Committee in the preparatory work to be undertaken prior to arrival of the Consultants up to the amount of US\$ 40,000 equivalent, as a part of the total contribution by the Bolivian Government of US\$ 265,000 equivalent. Any costs incurred in excess of US\$ 40,000 equivalent for the purpose of this preliminary work would have to be accompanied by an equivalent increase in the Government's contribution in excess of the US\$ 265,000 allocation.

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Ingeniero Oscar Zapata  
Director de Infraestructura  
Presidencia de la Republica  
Secretaria Nacional de Planificacion  
y Coordinacion  
La Paz, Bolivia

Cleared with and cc. Miss Powell

Messrs. Engelmann/Wright, Riley

cc. Messrs. Wyss, Pavilla o/r, Sassoon

PEngelmann/ADKnox:mdk

*Riley*  
Mr. Favilla

Room 584

OFFICE OF THE PRESIDENT OF THE REPUBLIC  
NATIONAL SECRETARIAT OF PLANNING AND COORDINATION

LA PAZ - BOLIVIA

September 7, 1966

Mr. A. David Knox,  
Western Hemisphere Department,  
International Development Association,  
Washington, D.C.

Dear Mr. Knox:

I am writing in reply to your letter of August 3 last, under cover of which you sent us the English text of the "Terms of Reference". The Spanish text has not yet been sent to us, neither has the list of the consultant firms invited to carry out the comprehensive transport study, a list that should include background data concerning those firms.

I am sending you enclosed the text of the "Terms of Reference" as translated by us, the corrections that we are proposing and also the "Terms of Reference" as corrected after consultation with the agencies engaged in transport operations.

The Railway Authority (Empresa de Ferrocarriles) considers that, among the firms invited to submit bids in connection with the study, consideration should be given to the firm of SOFRERAIL, and also to the Dutch firm of consultants NEDELCO.

It will, in my opinion, be very difficult to observe the working schedule proposed by you, having regard to the delays that are met with in the field of communications and also in view of the fact that delays also occur in holding consultations with operational agencies, in the preparation of translations and in the conduct of negotiations, both in the Bank and in the country (itself). I consider that it would be very useful if, first of all, arrangements could be made for a technical expert appointed by the Bank, to arrive in the country with sufficient authority to review and discuss the plan of action.

Yours faithfully,

Dr. Miguel Bonifaz Ponce  
Minister of Planning and  
Coordination

TRANSLATION SECTION 1695/66

Translated From: 9/19/66 Spanish By: GHS:gue



COMMENTS ON THE TERMS OF REFERENCE

(Spanish Text)

On page 1, Chapter II, there should be added to point No. 2 of B,

Studies for the Development of Transports, the paragraph:

h) EXAMINATION AND EVALUATION OF THE STANDARD OF TRANSPORT SERVICES, PROVIDED

On page No. 1, Chapter II, sub-chapter B, add point 6

6) OTHER STUDIES *No - See 191 pg. 9.*

On page No. 2, Chapter I, PURPOSES, paragraph c should be replaced by the following:

c) TO LAY DOWN STANDARDS OF RATIONALIZATION AND MAKE RECOMMENDATIONS FOR A GOVERNMENT POLICY AND FOR THE TAKING OF STEPS CONNECTED WITH THE USE, ADMINISTRATION, REGULATION AND COORDINATION OF TRANSPORT.

and the following should then be added:

THE THREE PURPOSES SET FORTH ABOVE MUST SERVE THE FURTHER AIM OF PROVIDING, IN THE INTERESTS OF THE USER, AN EFFICIENT SERVICE INVOLVING THE LEAST COST AND OFFERING OPTIMUM TIMES OF TRANSPORT, MAXIMUM RELIABILITY, ETC.

On page No. 6, paragraph c, Internal waterways and navigation, point 3 should be replaced by the following:

3) THE ORGANIZATION, MANAGEMENT AND SUPERVISION OF THE MACHINERY WHEREBY CONTROL AND AUTHORITY ARE EXERCISED IN WATERWAY TRANSPORT, AS ALSO THE ORGANIZATION OF THE AGENCIES (NOW) OPERATING.

On page No. 6, paragraph 3, add the following point 6:

THEY SHALL REVIEW EXISTING LEGISLATION RELATING TO SUPERVISION OF THE SAILING CONDITION OF VESSELS, COMMENT ON THE ADEQUACY OF SUCH LEGISLATION AND RECOMMEND ANY IMPROVEMENTS THAT SHOULD BE INTRODUCED.

The paragraph following point 5) will have to be deleted after point 6), and altered to read as follows:

ON THE BASIS OF THE FOREGOING EXAMINATION, THE CONSULTANTS SHALL POINT OUT THE DEFECTS EXISTING IN THE INTERNAL WATERWAY TRANSPORT INDUSTRY AND MAKE RECOMMENDATIONS CONCERNING IMPROVEMENTS THE INTRODUCTION OF WHICH CAN BE JUSTIFIED IN THE LIGHT OF THE FINANCIAL COST INVOLVED AND THE ALTERNATIVE MEANS OF TRANSPORT AVAILABLE. THE CONSULTANTS SHALL ALSO ESTIMATE THE AMOUNT OF INVESTMENT REQUIRED TO CARRY OUT THOSE OF THE IMPROVEMENTS THEY PROPOSE WHICH HAVE THE HIGHEST PRIORITY AND APPEAR TO BE PRACTICABLE, AND SHALL DEFINE THE SCOPE OF THE MORE DETAILED STUDIES THAT WOULD BE REQUIRED BEFORE THOSE MEASURES COULD BE IMPLEMENTED.

*corend (9/5)  
10 Jul  
5. (6) 11/12*

TAKING EXISTING ORGANIZATIONS OR GOVERNMENT AGENCIES AS A BASIS FOR THEIR PROPOSALS, THEY SHALL RECOMMEND THE TYPE OF ORGANIZATION THAT WOULD BE REQUIRED IN ORDER TO EXERCISE SUPERVISION OVER OPERATION, MAINTENANCE AND FRESH CONSTRUCTION IN THE AREA OF WATERWAYS INFRA-STRUCTURE, AND FOR THE PURPOSE OF DRAWING UP AND SUPERVISING THE CARRYING OUT OF INVESTMENT PROJECTS. THEY SHALL DETERMINE THE FEASIBILITY OF SETTING UP THIS BODY OR REORGANIZING EXISTING BODIES, AND SHALL ALSO DEFINE THE MANNER IN WHICH THE LATTER SHOULD BE FINANCED.

On page 7, under paragraph d) Airports and Civil Aviation, the following points should be added:

- sign from  
See intro*
- 6) THE ROLE OF AVIATION IN THE COUNTRY'S PRESENT AND FUTURE TRANSPORT SYSTEM.
- g(3)*
- 7) STUDY AND REVIEW OF EXISTING MACHINERY FOR EXERCISING SUPERVISION AND AUTHORITY IN THIS SPHERE OF TRANSPORT.
- 8) THEY SHALL INVESTIGATE THE PRESENT STATE OF INTERNATIONAL AGREEMENTS AND CONVENTIONS RELATING TO THE DEVELOPMENT OF CIVIL AVIATION.
- 9) EVALUATION OF THE STANDARD OF AIR TRANSPORT SERVICES PROVIDED

The paragraph following point 5) should be deleted, the following corrected text being inserted after point 9:

*g(3)*

ON THE BASIS OF THE FOREGOING EVALUATION AND OF FORECASTS OF FUTURE TRAFFIC REQUIREMENTS, THE CONSULTANTS SHALL POINT OUT THE CHIEF DEFECTS OF THE CIVIL AVIATION INDUSTRY AND MAKE RECOMMENDATIONS IN RESPECT OF THE IMPROVEMENTS REQUIRED IN THE AIR-TRANSPORT SERVICE, IN THE FACILITIES PROVIDED BY AIRPORTS AND IN THE ORGANIZATION OF THE BODIES OR AGENCIES THAT CONTROL, INSPECT OR OPERATE THOSE SERVICES.



THE CONSULTANTS SHALL ALSO PREPARE A SET OF LEGAL TEXTS OR REGULATIONS IN THE MATTER OF AIR-TRANSPORT, TO MATCH THE COUNTRY'S NEEDS, SHALL ESTIMATE THE ORDER OF MAGNITUDE OF THE INVESTMENTS REQUIRED TO CARRY OUT THE IMPROVEMENTS PROPOSED, AND SHALL DEFINE THE SCOPE OF ANY MORE DETAILED STUDIES THAT IT MAY BE NECESSARY TO CARRY OUT IN FUTURE BEFORE THOSE IMPROVEMENTS CAN BE IMPLEMENTED. THEY SHALL RECOMMEND ANY CHANGES OR AMENDMENTS IN THE INTERNATIONAL AGREEMENTS IN FORCE THAT MAY BE NECESSARY IN THE INTERESTS OF AN IMPROVED SERVICE.

Beyond Scope  
of Ts, C.A. H.A.  
in the type of  
Assignment

On page No. 10, paragraph g), Evaluation of existing costs and policies in the matter of transport, the following should be inserted after point 5:

h) EXAMINATION AND EVALUATION OF THE STANDARD OF THE TRANSPORT SERVICES PROVIDED.

THE CONSULTANTS SHALL STUDY THE AMOUNT OF TIME OCCUPIED IN TRANSPORT AND THE DEGREE OF RELIABILITY AFFORDED IN PROVIDING THE SERVICES IN QUESTION, FOR WHICH PURPOSE THEY SHALL CARRY OUT THE FOLLOWING STUDIES:

- 1) ASCERTAINMENT OF THE TIME REQUIRED FOR EACH MEANS OF TRANSPORT, HOW THAT TIME IS MADE UP AND THE VALUE OF THAT TIME, BEARING IN MIND THE ITEM THAT IS BEING TRANSPORTED.
- 2) ESTIMATE OF THE LOSS OF PRODUCTION CAUSED BY AN EXCESSIVE AMOUNT OF TIME BEING REQUIRED FOR TRANSPORT FROM THE POINT AT WHICH THE ITEMS ARE PRODUCED TO THE PLACE WHERE IT IS POSSIBLE TO MARKET THEM.
- 3) ESTIMATE OF THE ECONOMIC LOSS TO THE COUNTRY RESULTING FROM THE EXCESSIVE TIME AND COST OF TRANSPORT.
- 4) WORKING OUT OF THE MAXIMUM TIME ALLOWABLE FOR THE TRANSPORT OF PRODUCTS FROM THE PRODUCTION CENTER TO THE CONSUMER MARKET (TAKING INTO ACCOUNT ANY IMPROVEMENTS IT MIGHT BE POSSIBLE TO INTRODUCE IN THE MATTER OF THE OPERATING PLANT AND/OR INFRA-STRUCTURE).

IN THE LIGHT OF THE FOREGOING STUDIES THE CONSULTANTS SHALL MAKE RECOMMENDATIONS RELATIVE TO THE COUNTRY'S SYSTEM OF TRANSPORT, TAKING INTO ACCOUNT THE ECONOMIC LOSS SUFFERED BY THE USER AS THE RESULT OF THE UNRELIABLE NATURE OF AND EXCESSIVE TIME REQUIRED BY THE SERVICES PROVIDED, AND SHALL ESTIMATE THE INCREASE IN SUPPLY CAPACITY THAT WOULD BE SECURED IN CONSEQUENCE OF SHORTENED TRANSPORT TIMES BASED ON THEIR RECOMMENDATIONS.

On page 10, point 4. Recommendations for investment in transport should be altered to read as follows:

ON THE BASIS OF THE EXAMINATION DETAILED IN SECTION No. 3, THE CONSULTANTS SHALL DEFINE THE PRIORITIES TO BE OBSERVED IN THE MATTER OF NEW INVESTMENTS IN TRANSPORT, AND SHALL MAKE RECOMMENDATIONS FOR THE DEVELOPMENT OF TRANSPORT OVER THE PERIOD 1968-1977, AS ALSO FOR A MEDIUM-TERM PROGRAM FOR THE YEARS 1968-1972 IN WHICH THERE SHALL BE SPECIFIED IN THE MOST DETAILED MANNER, WHAT PROJECTS SHOULD BE CARRIED OUT AND THE PRIORITY TO BE ACCORDED TO THOSE PROJECTS, TOGETHER WITH AN APPRAISAL OF THEIR DIRECT AND INDIRECT ECONOMIC BENEFITS. THESE RECOMMENDATIONS SHALL COMPRISE A MINIMUM PROGRAM, DESIGNED TO MEET THE MOST

Word "Specific"  
Added, and  
two periods split  
20. (3)



OK  
URGENT TRANSPORT NEEDS OF BOLIVIA AT LEVELS OF NEW INVESTMENT NOT GREATER THAN THE AVERAGE ANNUAL INVESTMENT MADE IN TRANSPORT FACILITIES DURING THE 1960-1965 PERIOD, PROVISION BEING MADE FOR SUPPLEMENTARY PROGRAMS THAT MIGHT BE CARRIED OUT SHOULD MORE FUNDS BECOME AVAILABLE. SO FAR AS POSSIBLE THE GOVERNMENT SHALL INFORM THE CONSULTANTS IN ETC..... (see page 12 of the terms of reference).

On page 12, point No. 5, Recommendations with regard to Government measures and policies should be altered to read as follows:

THE CONSULTANTS SHALL PREPARE AN OUTLINE OF GOVERNMENT POLICIES AND MEASURES DESIGNED TO ENSURE THAT THE TRANSPORT INDUSTRY OPERATES SO AS TO BENEFIT THE COUNTRY'S ECONOMY TO THE MAXIMUM EXTENT POSSIBLE, FOR WHICH PURPOSE IT WILL BE NECESSARY: a) TO IMPLEMENT THE RECOMMENDED PROGRAM OF NEW INVESTMENT IN THE TRANSPORT SECTOR AND b) TO OBTAIN THE MAXIMUM AMOUNT OF ECONOMIC BENEFIT BOTH FROM THE COUNTRY'S EXISTING TRANSPORT INFRASTRUCTURE AND FROM THE IMPROVEMENTS PROPOSED. THIS SHALL INCLUDE RECOMMENDATIONS TO BE IMPLEMENTED BY THE BUILDERS, RELATING TO:

On page 12, heading 5, paragraph 2, must be replaced by:

2) THE APPLICATION OF RATE SCHEDULES FOR PASSENGER AND GOODS TRAFFIC THAT REFLECT THE COST OF TRANSPORT BY RAIL, AIR, ROAD AND WATERWAY.

On page 12, Chapter II, Sub-Chapter B. Study for the development of transport, add to point 6 before Sub-Chapter C, Assistance to the National Rail Authority.

6) OTHER STUDIES

THE CONSULTANTS SHALL CARRY OUT ANY STUDIES THAT THEY BELIEVE TO BE DESIRABLE FOR THE DEVELOPMENT OF THE BOLIVIAN TRANSPORT SYSTEM AND/OR FOR THE PURPOSE OF IMPLEMENTING THE COMPREHENSIVE STUDY FOR WHICH THEY ARE RESPONSIBLE, AS ALSO ANY STUDIES THAT MAY BE REQUIRED BY THE BOLIVIAN GOVERNMENT FOR THE SAME PURPOSE.

G E N E R A L      R E M A R K S

ON THE TERMS OF REFERENCE

These remarks must form part of the terms of reference:

1. IN CASES WHERE THERE ARE DISCREPANCIES BETWEEN THE ENGLISH AND SPANISH TEXTS THE SPANISH TEXT SHALL BE DECISIVE.
2. IT WOULD BE DESIRABLE FOR ALL CONSULTANTS TO BE FLUENT IN SPANISH. THE TENDERERS MUST SPECIFY THE NUMBER OF TECHNICAL EXPERTS WHO SPEAK SPANISH FLUENTLY.
3. ALL DRAFTS, MEMORANDA, CALCULATIONS, PLANS, PHOTOGRAPHIC MATERIAL IN THE FORM OF GRAPHS, ETC. THAT ARE USED FOR THE DRAWING UP OF REPORTS BY THE FIRM OF CONSULTANTS SHALL REMAIN THE PROPERTY OF THE BOLIVIAN GOVERNMENT AND SHALL BE STORED AT A CENTRAL POINT WITHIN THE NATIONAL SECRETARIAT OF PLANNING AND OF COORDINATION.

La Paz, September 7, 1966

see Annex  
The section

only change  
?

OUT X

Discrepancy with  
Annex 1/Govt

No good  
interpreter  
in Bolivia  
They should supply  
interpreters  
if they  
are needed

Yes - if it is Law  
but say no

Will be considered  
by Committee will  
be control.

Consultants should  
be allowed to  
take down to  
copy out. Will be  
in contract



OFFICE OF THE PRESIDENT OF THE REPUBLIC  
NATIONAL SECRETARIAT OF PLANNING AND COORDINATION

La Paz - Bolivia

September 8, 1966

Mr. David Knox  
Western Hemisphere Department  
International Development Association  
1818 H Street, N.W.  
Washington, D.C.

Dear Mr. Knox:

Further to the remarks contained in my letter 1484-66 which I sent to you yesterday for the purpose of forwarding the "Terms of Reference", with the amendments that the Government of Bolivia is recommending, I should be glad if you would, in addition to giving consideration to the firms of consultants Sofrerail and Nedelco, who have been invited to participate in the comprehensive transport study, also bear in mind the firm "Transportation Consultants, Inc., Consulting Engineers and Ecomomists"- 1250 Connecticut Avenue, Washington, D.C., U.S.A.

Yours faithfully,

ON THE MINISTER'S INSTRUCTIONS

Rolando Pereyra Mendez

ROUTING SLIP

Date

September 14, 1966

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

A Working Party meeting will shortly be held to discuss the attached. Should you require a translation of these documents, please let me know.

From

A.J. Favilla





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22243 - 29224 - 28733

CAJON POSTAL 3116  
CABLES "SEDEPLA"

1484-66

Septiembre 7, 1966.

Al señor

REGISTERED  
MAIL NUMBER 745816

A. David Knox  
Western Hemisphere Department  
International Development Association  
1818 H. Street, N.W. Washington D.C. 20433 U.S.A.

Estimado señor Knox:

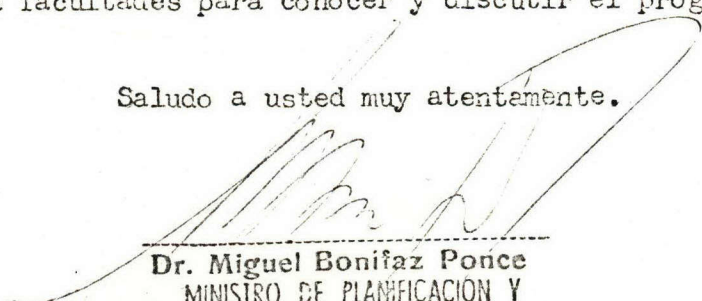
Respondo a su carta del 3 de agosto del presente en la cual nos envía el texto en inglés de los "Términos de Referencia". El texto en castellano aún no nos ha sido enviado, así como la lista y antecedentes de las empresas consultoras invitadas para la realización del Estudio Integrado de Transportes.

Envío adjunto a la presente el texto traducido por nosotros de los "Términos de Referencia", las correcciones que proponemos, así como los "Términos de Referencia" ya corregidos en consulta con las entidades operativas de transporte.

La Empresa de Ferrocarriles considera que entre las firmas invitadas a concursar en el estudio se tomen en cuenta a la Empresa SOFRERAIL y a la Empresa Consultora NEDELCO de Holanda.

En mi opinión, será muy difícil que se cumpla el calendario propuesto por ustedes dadas las demoras que existen en las comunicaciones y en el hecho de que las consultas con entidades operativas, traducciones y tramitaciones, tanto en el Banco como en el país sufren retardos. Juzgo que será muy útil programar primero el arribo al país de un técnico, designado por el Banco, que tenga facultades para conocer y discutir el programa de operaciones.

Saludo a usted muy atentamente.

  
Dr. Miguel Bonifaz Ponce  
MINISTRO DE PLANIFICACION Y  
COORDINACION

OZ/gbv





PRESIDENCIA DE LA REPUBLICA  
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OBSERVACIONES A LOS TERMINOS DE REFERENCIA

(del texto en español)

- En la pág. N° 1, Capítulo II se debe agregar al punto N° 2 de B.

Estudios para el Desarrollo de los Transportes, el inciso:

h) ANALISIS Y EVALUACION DE LA CALIDAD DE LOS SERVICIOS DE TRANSPORTE.

- En la pág. N° 1, Capítulo II, sub-capítulo B agregar el punto 6

6) OTROS ESTUDIOS

- En la pág. N° 2, Capítulo I OBJETIVOS, se debe sustituir el inciso c

(c) ESTABLECER CRITERIOS DE RACIONALIZACION Y HACER RECOMENDACIONES PARA UNA POLITICA GUBERNAMENTAL Y PARA MEDIDAS RELACIONADAS CON EL USO, ADMINISTRACION, REGULACION Y COORDINACION DEL TRANSPORTE.

y a continuación se debe agregar:

LOS TRES OBJETIVOS ENUNCIADOS ARRIBA DEBERAN SER TENDIENTES A CONSEGUIR DESDE EL PUNTO DE VISTA DE CONVENIENCIA DEL USUARIO UN EFICIENTE SERVICIO QUE INVOLUCRE LOS MENORES COSTOS, OPTIMOS TIEMPOS DE TRANSPORTE, MAXIMA SEGURIDAD, etc.

- En la pág. N° 7, inciso c) Vías fluviales internas y navegación, se debe sustituir el punto 3) por lo siguiente:

3) LA ORGANIZACION, DIRECCION Y FISCALIZACION DE MECANISMOS DE MANDO Y AUTORIDAD EN EL TRANSPORTE FLUVIAL ASI COMO LA ORGANIZACION DE LAS EMPRESAS EN EXPLOTACION.

- En la pág. N° 7, inciso c) agregar el punto 6.

6) REVISARAN LA LEGISLACION EXISTENTE EN RELACION AL CONTROL DE LA NAVIGABILIDAD EN LAS EMBARCACIONES, COMENTARAN SOBRE LA ADECUACION DE TAL LEGISLACION Y RECOMENDARAN LAS MEJORAS QUE DEBEN INTRODUCIRSE.

El párrafo siguiente al punto 5) deberá trasladarse después del punto 6, alterándose en la siguiente forma:

SOBRE LAS BASES DE LOS ANALISIS ANTERIORES, LOS CONSULTORES IDENTIFICARAN LAS DEFICIENCIAS DE LA INDUSTRIA DE TRANSPORTES FLUVIAL INTERNO Y HARAN RECOMENDACIONES PARA QUE TALES MEJORAS PUEDAN SER JUSTIFICADAS A LA LUZ DE LOS COSTOS ECONOMICOS Y MEDIOS ALTERNATIVOS DE TRANSPORTE. LOS CONSULTORES TAMBIEN ESTIMARAN LAS INVERSIONES NECESARIAS PARA EFECTUAR LAS MEJORAS PROPUESTAS QUE TENGAN ALTA PRIORIDAD Y CUYA JUSTIFICACION TENDRIA FACTIBILIDAD APARENTE, Y DEFINIRAN EL ALCANCE DE ESTUDIOS MAS AMPLIOS CUYA NECESIDAD ES PREVIA A SU IMPLEMENTACION.





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2.-

EN BASE A ENTIDADES O AGENCIAS DE GOBIERNO EXISTENTES, RECOMENDARAN EL TIPO DE ORGANIZACION QUE SEA NECESARIA PARA EL CONTROL DE: LA EXPLOTACION, MANTENIMIENTO Y NUEVAS CONSTRUCCIONES DE INFRAESTRUCTURA EN EL TRANSPORTE FLUVIAL, ASI COMO PARA LA ELABORACION Y CONTROL DE PROYECTOS DE INVERSION. DETERMINAN LA FACTIBILIDAD DE CREACION DE ESTE ORGANISMO O REORGANIZACION DE LOS EXISTENTES, ASI COMO TAMBIEN SU FORMA DE FINANCIAMIENTO.

- En la pág. 8, al inciso d) Aeropuertos y Aviación Civil se agregarán los siguientes puntos:

- 6) ROL DE LA AVIACION CIVIL EN EL TRANSPORTE ACTUAL Y FUTURO DEL PAIS.
- 7) ESTUDIO Y REVISION DE LOS MECANISMOS DE MANDO Y AUTORIDAD DENTRO DE ESTE MEDIO DE TRANSPORTE.
- 8) INVESTIGARAN EL ESTADO DE LOS ACUERDOS Y CONVENIOS INTERNACIONALES, RELATIVOS AL DESARROLLO DE LA AVIACION CIVIL.
- 9) ANALISIS DE LA COMPETENCIA EN EL TRANSPORTE AEREO.

El párrafo a continuación del punto 5), trasladar después del punto

9, deberá corregirse en la siguiente forma:

SOBRE LAS BASES DE LOS ANALISIS ANTERIORES Y SOBRE LOS PRONOSTICOS DE LA FUTURA DEMANDA DE TRAFICO, LOS CONSULTORES IDENTIFICARAN LAS PRINCIPALES DEFICIENCIAS DE LA INDUSTRIA DE LA AVIACION CIVIL Y HARAN RECOMENDACIONES PARA LAS MEJORAS NECESARIAS EN EL SERVICIO AEREO, EN LAS FACILIDADES DE AEROPUERTOS Y EN LA ORGANIZACION DE LAS ENTIDADES O AGENCIAS QUE CONTROLAN, FISCALIZAN, O EXPLOTAN LOS SERVICIOS.

LOS CONSULTORES TAMBIEN PREPARARAN UNA LEGISLACION O REGlamentACION AERONAUTICA ADECUADA AL PAIS, Y ESTIMARAN EL ORDEN DE LA MAGNITUD DE LAS INVERSIONES NECESARIAS PARA LLEVAR A CABO LAS MEJORAS PROPUESTAS Y DEFINIR EL ALCANCE DE LOS ESTUDIOS MAS AMPLIOS QUE SEAN NECESARIOS EN EL FUTURO ANTES DE SU IMPLEMENTACION. RECOMENDARAN CAMBIOS O MODIFICACIONES EN LOS CONVENIOS INTERNACIONALES DE ACUERDO A REQUERIMIENTOS DE UN MEJOR SERVICIO.

- En la pág. 10, del inciso g), Evaluación de los costos y políticas existentes para transporte, a continuación del punto 5 se debe introducir:

- h) ANALISIS Y EVALUACION DE LA CALIDAD DE LOS SERVICIOS DE TRANSPORTES.

LOS CONSULTORES ESTUDIARAN LA IMPORTANCIA DE LOS TIEMPOS DE TRANSPORTE Y DE LA SEGURIDAD EN LA PRESTACION DE SERVICIOS PARA LO CUAL REALIZARAN LOS ESTUDIOS SIGUIENTES:





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3.-

- 1) DETERMINACION DE LOS TIEMPOS DE TRANSPORTES EN CADA MEDIO, LOS COMPONENTES DE ESTE TIEMPO, EL VALOR DE ESTE TIEMPO SEGUN LO QUE SE TRASLADA.
- 2) EVALUACION DE LA PERDIDA EN PRODUCCION POR CAUSA DE TIEMPOS EXCESIVOS EN TRANSPORTE DESDE EL LUGAR DE PRODUCCION AL LUGAR DE MERCADO POTENCIAL.
- 3) EVALUACION DE LA PERDIDA ECONOMICA SUFRIDA POR EL PAIS POR CAUSA DE TIEMPO Y COSTO EXCESIVO EN TRANSPORTES.
- 4) DETERMINACION DEL TIEMPO MAXIMO PERMISIBLE PARA EL TRASLADO DE PRODUCTOS DEL CENTRO DE PRODUCCION AL MERCADO DE CONSUMO (TOMANDO EN CUENTA CIERTAS MEJORAS POSIBLES A INTRODUCIRSE EN MATERIAL DE EXPLOTACION Y/O INFRAESTRUCTURA).

BASADOS EN LOS ESTUDIOS ANTERIORES LOS CONSULTORES HARAN RECOMENDACIONES PARA LOS TRANSPORTES, TOMANDO EN CUENTA LAS PERDIDAS ECONOMICAS OCASIONADAS AL USUARIO EN LA PRESTACION DE SERVICIOS POR INSEGURIDAD Y TIEMPOS EXCESIVOS Y ESTIMARAN EL AUMENTO EN LA CAPACIDAD DE OFERTA, COMO RESULTADO DE DISMINUCION DE TIEMPOS DE TRANSPORTES QUE FUERAN RECOMENDADOS.

- En la pág. 11 el punto 4. Recomendaciones para inversiones en Transporte, deberá alterarse en la siguiente forma:

BASADOS EN LOS ANALISIS INDICADOS EN LA SECCION N° 3, LOS CONSULTORES DETERMINARAN LAS PRIORIDADES RELATIVAS A LAS NUEVAS INVERSIONES EN TRANSPORTES Y PREPARARAN RECOMENDACIONES PARA EL DESARROLLO DEL MISMO PARA LOS AÑOS 1968-1977, Y UN PROGRAMA A MEDIANO PLAZO PARA LOS AÑOS 1968-1972 EN EL QUE SE ENCUENTRAN ESPECIFICADOS LOS PROYECTOS Y SUS PRIORIDADES CON MAXIMO DETALLE, Y LA VALORIZACION DE SUS BENEFICIOS ECONOMICOS DIRECTOS E INDIRECTOS. ESTAS RECOMENDACIONES COMPRENDERAN UN PROGRAMA MINIMO PARA ATENDER LAS MAS URGENTES NECESIDADES DE TRANSPORTE DE BOLIVIA A NIVELES DE NUEVAS INVERSIONES NO MAYORES QUE LA INVERSION PROMEDIA ANUAL EFECTUADA EN FACILIDADES DE TRANSPORTE, DURANTE EL PERIODO 1960-1965 Y PROGRAMAS SUPLEMENTARIOS QUE PODRIAN SER REALIZADOS SI HUBIERA MAS RECURSOS DISPONIBLES. EN LA MEDIDA DE LO POSIBLE, EL GOBIERNO INFORMARA A LOS CONSULTORES EN ETC. ....(ver pág. 12 de los Términos de referencia).

- En la Pág. 12, el punto N° 5, Recomendaciones sobre medidas y políticas Gubernamentales deberá alterarse como sigue:

LOS CONSULTORES PREPARARAN UN ESQUEMA DE POLITICAS Y MEDIDAS GUBERNAMENTALES TENDIENTES A CONSEGUIR DEL TRANSPORTE LOS MAXIMOS BENEFICIOS PARA LA ECONOMIA DEL PAIS PARA LO CUAL TENDRAN QUE: a) IMPLEMENTAR EL PROGRAMA RECOMENDADO DE NUEVAS INVERSIONES EN EL SECTOR TRANSPORTES Y b) OBTENER LOS MAXIMOS BENEFICIOS ECONOMICOS TANTO DE LA INFRAESTRUCTURA DEL TRANSPORTE EXISTENTE EN EL PAIS COMO DE LAS MEJORAS PROPUESTAS. ESTO INCLUIRA RECOMENDACIONES QUE DEBERAN SER IMPLEMENTADAS POR LOS CONSTRUCTORES REFERENTES A:





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4.-

- En la pág. 12 punto 5, inciso 2, deberá cambiarse el texto por:
  - 2) LA APLICACION DE TARIFAS PARA PASAJEROS Y CARGA QUE REFLEJAN LOS COSTOS DE TRANSPORTE DE FERROCARRILES, TRANSPORTE AEREO, TRANSPORTE CARRETERO Y TRANSPORTE FLUVIAL.
- En la pág. 13 Capítulo II, Sub Capítulo B. Estudio para el desarrollo de los Transportes, agregar al punto 6 antes del Sub Capítulo C Asistencia a la Empresa Nacional de Ferrocarriles
- 6) OTROS ESTUDIOS

LOS CONSULTORES REALIZARAN TODOS LOS ESTUDIOS QUE CREAN CONVENIENTE PARA EL DESARROLLO DE LOS TRANSPORTES EN BOLIVIA Y/O PARA IMPLEMENTAR EL ESTUDIO INTEGRAL QUE ESTE A SU CARGO, ASI COMO LOS QUE SEAN REQUERIDOS POR EL GOBIERNO BOLIVIANO PARA LLENAR EL MISMO FIN.

OBSERVACIONES GENERALES  
A LOS TERMINOS DE REFERENCIA

Estas observaciones deberán formar parte de los términos de referencia:

1. EN CASO DE DISCREPANCIA ENTRE EL TEXTO EN INGLES Y EL EN ESPAÑOL, PREVALECERA EL TEXTO EN ESPAÑOL.
2. SERIA DESEABLE, QUE TODOS LOS CONSULTORES TENGAN FLUENCIA EN EL HABLA ESPAÑOLA. LOS PROPONENTES DEBERAN ESPECIFICAR EL NUMERO DE EXPERTOS QUE HABLAN ESPAÑOL FLUENTEMENTE.
3. TODOS LOS BORRADORES, NOTAS, CALCULOS, ESQUEMAS, MATERIAL GRAFICO FOTOGRAFICO, ETC/ QUE SIRVAN PARA LA ELABORACION DE LOS INFORMES POR LA FIRMA CONSULTORA, QUEDARAN EN PROPIEDAD DEL GOBIERNO BOLIVIANO Y SERAN CENTRALIZADOS EN LA SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION.

La Paz, 7 de septiembre de 1966.

BA/fp.





PRESIDENCIA DE LA REPUBLICA  
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CAJON POSTAL 3110  
CABLES «SEDEPLA»

1502-66

Septiembre 8, 1966.

Al señor

REGISTERED  
MAIL NUMBER 145815

A. David Knox  
Western Hemisphere Department  
International Development Association  
1818 H. Street, N.W. Washington D.C. 20433 U.S.A.

Estimado señor Knox:

En complementación a los términos de mi nota 1484-66 que envié a usted el día de ayer, con objeto de remitirle los "Términos de Referencia" con las modificaciones que propone el gobierno boliviano, solicito a usted que juntamente con las empresas consultoras Sofrerail y Nedelco, invitadas para concursar en el estudio integrado de transportes, se tenga en cuenta la razón social de la empresa "Transportation Consultants, Inc. Consulting Engineers and Economists" - 1250 Connecticut Avenue, Washington, D.C. U.S.A.

Saludo a usted muy atentamente.

POR ORDEN DEL SEÑOR MINISTRO  
*Rolando Percy*  
Rolando Percy  
Subsecretario de Planificación  
y Coordinación

GB✓



OBSERVACIONES GENERALES  
A LOS TERMINOS DE REFERENCIA

Estas observaciones deberán formar parte de los términos de referencia:

1. En caso de discrepancia entre el texto en inglés y el en español, prevalecerá el texto en español.
2. Sería deseable que todos los consultores tengan fluencia en el habla española. Los proponentes deberán especificar el número de expertos que hablan español fluentemente.
3. Todos los borradores, notas, cálculos, esquemas, material gráfico fotográfico, etc. que sirvan para la elaboración de los informes por la firma consultora, quedarán en propiedad del Gobierno Boliviano y serán centralizados en la Secretaría Nacional de Planificación y Coordinación

~~CONFIDENTIAL~~

La Paz, 7 de septiembre de 1966.

EXAMINAR Y ESTUDIAR LOS TRANSPORTES DE BOLIVIA

( Terminos de Referencia Corregido )

I. Objetivos

II. Alcance de los Servicios de Consulta

A. Generales

B. Estudios para el Desarrollo de los Transportes

1. Revisión y Pronósticos de las Necesidades del Transporte
2. Análisis del Sistema Existente de Transportes
  - a) Ferrocarriles
  - b) Carreteras
  - c) Ríos Nacionales y Navegación
  - d) Aeropuertos y Aviación Civil
  - e) Puertos del Océano y Conexiones Internacionales
  - f) Oleoductos
  - g) Evaluación de los costos presentes de transportes y políticas actuales de transporte y Reglas o Sistemas.
  - h) Análisis y evaluación de la calidad de los servicios de transporte.
3. Análisis de las mejoras alternativas en el Transporte.
4. Inversiones recomendadas en transportes
5. Recomendaciones de política y medidas gubernamentales
6. Otros Estudios

C. Asistencia a la Empresa Nacional de Ferrocarriles

1. Administración y Dirección
2. Estudio tarifario y política comercial
3. Mejoramientos técnicos

D. Informes

III. Datos, Servicios Locales y Facilidades que Proporciona el Gobierno

- A. Datos económicos, de tráfico y técnicos
- B. Cooperación de las Agencias del Gobierno y partes interesadas
- C. Facilidades y soporte del personal para los consultores
- D. Transporte local para los consultores



#### IV. Calendario

##### I. OBJETIVOS

El propósito de este estudio es para formular las bases de un desarrollo coordinado en todos los aspectos del transporte en Bolivia. Para llegar a este fin, el estudio proporcionará:

- a) Recomendaciones para mejorar las operaciones, la organización y la dirección de cada medio de transporte;
- b) Un programa de inversiones en transporte para 1968-1977, basado en las prioridades económicas de los proyectos específicos para cada medio de transporte; y
- c) Establecer criterios de racionalización y hacer recomendaciones para una política gubernamental y para medidas relacionadas con el uso, administración, regulación y coordinación de transportes.

Los tres objetivos enunciados arriba deberán ser tendientes a conseguir desde el punto de vista de conveniencia del usuario un eficiente servicio que involucre los menores costos, óptimos tiempos de transporte, máxima seguridad, etc.

Este estudio es también para proporcionar asistencia técnica a la Empresa Nacional de Ferrocarriles en la implementación de medidas aprobadas por el Gobierno sobre las bases de un estudio de los Ferrocarriles de Bolivia hecho por SOFRE RAIL en 1962.

##### II. ALCANCE DE LOS SERVICIOS DE CONSULTORES

###### A. Generales

Este estudio cubrirá todo el país y todos los medios de transporte que tienen un papel significativo en la economía nacional de Bolivia, incluyendo ferrocarriles, carreteras y transportes por carreteras, vías fluviales interiores y navegación; aeropuertos y aviación civil, transportes por tuberías y acceso a las vías marítimas a través de países limítrofes, incluyendo los ferrocarriles, caminos y puertos en esos países en la medida en que éstos tienen importancia para el tráfico boliviano. El estudio enfocará primeramente el tráfico interurbano y no incluirá los estudios del tráfico urbano, excepto en el caso en que el tráfico interurbano sea afectado por el urbano (Ej: bypasses y terminales).



Los consultores efectuarán todos los estudios técnicos y administrativos, análisis económicos, investigaciones financieras, y lo relacionado con el trabajo descrito en este documento, como se requiere para alcanzar los objetivos previstos en la sección I. En la conducción de este trabajo, los consultores podrían cooperar integralmente con el Gobierno el cual les proporcionará datos y servicios indicados en la sección III de este documento, sin embargo, solamente los consultores serán responsables por el análisis y la interpretación de todos los datos usados y por las conclusiones y recomendaciones contenidas en sus informes.

## B. Estudios del Desarrollo de Transportes

### 1. Revisión y Pronósticos de las Necesidades del Transporte.

Los Consultores revisarán y sintetizarán todos los datos disponibles sobre el tráfico de pasajeros y de carga en el comercio extranjero y nacional o doméstico, para todos los medios de transporte, en las rutas principales dentro de Bolivia y en las rutas fuera del país que conectan Bolivia con los principales puertos económicos de Chile y Perú. Se preparará análisis detallado de los flujos de tráfico por cada medio y para los principales productos, indicando las mas significativas variaciones estacionales de flujo. Esta revisión cubrirá la evolución del transporte en Bolivia de los últimos cinco años, pero también considerará los datos de transporte anteriores a los citados, donde tales datos pueden ser importantes para el futuro desarrollo.

El Gobierno informará a los consultores de la política del Gobierno con relación al desarrollo de los varios sectores de la economía de Bolivia y de la ubicación y tamaño de los proyectos de desarrollo agrícolas, industriales, petroleros, de gas y mineros previstos y también lo relacionado a las facilidades de almacenaje. Los consultores analizarán las perspectivas de crecimiento en cada sector principal de la economía de Bolivia y estimarán los volúmenes de producción y consumo previstos.

Los consultores prepararán pronósticos de la naturaleza y volumen de flujos de tráfico que el sistema de transportes del país que tendrá que satisfacer entre los años 1967 a 1977, basados en la identificación y evaluación de todas las principales fuentes generadoras del tráfico, en el futuro ingreso nacional estimado y en los pronósticos de crecimiento y distribución de la población.

### 2. Análisis del actual sistema de Transportes.



#### a) Ferrocarriles

Los consultores revisarán todos los datos e informes disponibles preparados anteriormente sobre los ferrocarriles existentes en Bolivia, harán una inspección general de la totalidad de la red y prepararán un análisis propio sobre los aspectos económico, operacional y financiero de las partes del Este y Oeste del sistema.

Este análisis tomará en cuenta la demanda actual y futura de tráfico, anticipada, relacionada con el desarrollo minero, agrícola e industrial en las regiones servidas por ferrocarriles y el papel de los medios de transporte competitivos.

La parte occidental de los ferrocarriles de Bolivia recientemente ha sido integrada en un sistema de propiedad del Gobierno, bajo una sola gerencia boliviana; la parte de este sistema (Yacuiba, Santa Cruz, Corumba, - - 1.175 kms.) está dirigida por Comisiones Mixtas de Bolivia, Brasil y Argentina. Los consultores determinarán la factibilidad técnica y económica de conectar la red este con la red oeste del ferrocarril y evaluar los resultados operacionales de organización y financieros de tal conexión. Además, los consultores investigarán aquellas otras mejoras en los servicios y facilidades ferroviarias que a su juicio podrían incrementar sustancialmente la eficiencia en las operaciones ferroviarias, y formularán recomendaciones para la implementación de esas mejoras.

Donde las demandas de tráfico actuales y las futuras demandas de tráfico estimadas, indican que las líneas o secciones del sistema ferroviario son antieconómicas, los consultores estudiarán la disponibilidad y costo de medios de transporte alternativos y harán recomendaciones detalladas con respecto a la discontinuidad por fases de servicios y el abandono posterior de las líneas o secciones antieconómicas, para los años 1968 hasta 1977. Los consultores también estimarán la posible reducción en la fuerza de trabajo, y los resultados financieros de estas recomendaciones.

#### b) Transporte por caminos y carreteras.

Los consultores revisarán todos los datos e informes disponibles sobre el sistema actual de las carreteras de Bolivia y harán una inspección general



de todas las carreteras principales del país. Basados en la información obtenida por medio de tales revisiones e inspecciones, los consultores prepararán un inventario y una clasificación general de las carreteras. La clasificación incluirá:

- i) Carreteras primarias: (Primera clase o principal)
- ii) Carreteras secundarias: (Segunda clase)
- iii) Carreteras terciarias (fincas a mercados o alimentadores)
- iv) Sendas (caminos con pequeñas o ninguna obra de drenaje y movimiento de tierras).

El inventario indicará por sectores principales de caminos las características generales geométricas y de construcción (tipo de base, ancho y tipo de rodadura), capacidad de estructuras, kilometraje, distribución geográfica, estado actual de mantenimiento y adecuación general al tráfico actual.

Además los consultores efectuarán:

- 1) Revisarán y relacionarán todos los datos disponibles sobre el volumen, tipos y pesos del tráfico que circula por el sistema nacional de carreteras, haciendo recomendaciones para la futura recolección sistemática de los datos de tráfico;
- 2) Analizará las normas de especificaciones geométricas en uso actual por el gobierno y harán recomendaciones sobre las normas a ser adoptadas para la futura construcción de diferentes clasificaciones de caminos en varios tipos de terrenos;
- 3) Analizarán las políticas, organización, escalafón, equipo, operaciones y capacidad ejecutiva de las agencias del Gobierno responsable de la construcción y mantenimiento del sistema nacional de carreteras y harán recomendaciones específicas para el fortalecimiento y/o mejoramiento que sea necesario.
- 4) Analizarán los costos de las operaciones de mantenimiento y las provisiones presupuestarias para el mantenimiento de carreteras en los cinco pasados años, las asignaciones presupuestarias actuales para el mantenimiento de carreteras, y estimarán los requisitos financieros para el mantenimiento de carreteras durante los próximos cinco años.



- 5) Revisarán los métodos para la construcción de carreteras que actualmente se usan en Bolivia, evaluarán la capacidad de las agencias del Gobierno y las firmas contratistas de Bolivia para llevar a cabo la futura construcción de carreteras, y también analizarán los costos unitarios corrientes para la construcción de carreteras típicas en estándar aceptables. (incluyendo las estimaciones de los componentes en moneda local y extranjera de tales costos).
- 6) Revisarán los métodos corrientes de contratación para trabajos en construcción de carreteras, las fórmulas del contrato en uso y harán recomendaciones para las mejoras necesarias.
- 7) Revisarán la legislación existente en relación al control del peso y dimensiones de los vehículos motorizados, tráfico de carreteras y operaciones de la industria de los transportes carreteros, comentarán sobre la adecuación de tal legislación y de su vigencia en relación a las condiciones de las carreteras en Bolivia y harán también recomendaciones para las mejoras necesarias.
- 8) Revisarán las modalidades existentes de posesión y uso de vehículos por categorías principales y estimarán el costo de posesión y operación del vehículo en el sistema carretero actual y,
- 9) Estudiarán una muestra representativa de las empresas públicas y privadas principales de transporte carretero, evaluarán su capacidad para proveer servicios actuales y futuros de transporte interurbano.

c) Vías fluviales internas y navegación.

Los consultores estudiarán las vías fluviales internas en Bolivia, y las empresas relacionadas a este medio de transporte para evaluar el papel futuro del transporte por vía fluvial en el sistema interno de distribución, y en el comercio exterior. Los consultores revisarán y analizarán:

- 1) Condiciones de puertos y ríos que afectan en el transporte interno fluvial;
- 2) El tipo, edad y condiciones de las embarcaciones en uso;
- 3) La organización, dirección y fiscalización de mecanismos de mando y autoridad en el transporte fluvial así como la organización de las empresas en explotación.



- 4) El costo de las operaciones de los barcos así como también su reparación, manejo de carga, administración y captación de carga;
- 5) Las condiciones financieras de las agencias y de las firmas transportistas por vía fluvial interna; y
- 6) Revisarán la legislación existente en relación al control de la navegabilidad en las embarcaciones, comentarán sobre la adecuación de tal legislación y recomendarán las mejoras que deben introducirse.

Sobre las bases de los análisis anteriores, los consultores identificarán las deficiencias de la industria de transporte fluvial interno y harán recomendaciones para que tales mejoras puedan ser justificadas a la luz de los costos económicos y medios alternativos de transporte. Los consultores también estimarán las inversiones necesarias para efectuar las mejoras propuestas que tengan alta prioridad y cuya justificación tendría factibilidad aparente y definirán el alcance de estudios mas amplios cuya necesidad es previa a su implementación.

En base a entidades o agencias de gobierno existentes, recomendarán el tipo de organización que sea necesaria para el control de: la explotación, mantenimiento y nuevas construcciones de infraestructura en el transporte fluvial, así como para la elaboración y control de proyectos de inversión. Determinan la factibilidad de creación de este organismo o reorganización de los existentes, así como también su forma de financiamiento.

#### d) Aeropuertos y Aviación Civil.

Los consultores estudiarán el estado actual de la aviación civil en Bolivia y evaluarán el papel futuro de los transportes aéreos en el comercio interior y extranjero del país. En este estudio los consultores revisarán y analizarán:

- 1) El tipo, edad y condición de las naves en uso ;
- 2) Las facilidades y condiciones de los principales aeropuertos que sirven al tráfico de la aviación civil;
- 3) La organización y dirección de los aeropuertos y de las empresas aéreas y de los aviones cargueros que ofrecen servicios internos y al exterior.
- 4) El costo de operación y mantenimiento de aviones y aeropuertos;
- 5) Las condiciones financieras de las firmas bolivianas y de las agencias comprometidas en el servicio aéreo interno y al exterior.



- 6) Rol de la aviación civil en el transporte actual y futuro del país;
- 7) Estudio y revisión de los mecanismos de mando y autoridad dentro de este medio de transporte.
- 8) Investigarán el Estado de los acuerdos y convenios internacionales, relativos al desarrollo de la aviación civil.
- 9) Análisis de la competencia en el transporte aéreo.

Sobre las bases de los análisis anteriores y sobre los pronósticos de la futura demanda de tráfico, los consultores identificarán las principales deficiencias de la industria de la aviación civil y harán recomendaciones para las mejoras necesarias en el servicio aéreo, en las facilidades de aeropuertos y en la organización de las entidades o agencias que controlan, fiscalizan, o explotan los servicios.

Los consultores también prepararán una legislación o reglamentación aeronáutica adecuada al país, y estimarán el orden de la magnitud de las inversiones necesarias para llevar a cabo las mejoras propuestas y definir el alcance de los estudios mas amplios que sean necesarios en el futuro antes de su implementación. Recomendarán cambios o modificaciones en los convenios internacionales de acuerdo a requerimientos de un mejor servicio.

e) Puertos Oceánicos y vinculaciones internacionales

Los estudios de los puertos oceánicos que sirven a Bolivia en Chile y en el Perú, la vinculación internacional a estos puertos así como también a la Argentina, Brasil y Paraguay se limitarán a la revisión general de las presentes operaciones de transporte, la determinación de las capacidades existentes de transporte y los costos, las estimaciones de las futuras necesidades, y la identificación de las principales deficiencias y de los cuellos de botella. Los consultores harán una inspección de los puertos y de las vinculaciones externas de Bolivia las cuales juegan un papel significativo en la movilización del comercio extranjero, y determinando las mejoras en operaciones, facilidades y equipo lo cual podría ser justificado por el futuro tráfico estimado. Los consultores harán también recomendaciones para estudios adicionales, si fuera preciso, los cuales pueden ser necesarios para implementar mejoras requeridas e identificarán las agencias en el exterior las cuales tendrían que cooperar en la planificación y ejecución de tales estudios.



Los consultores investigarán también el estado de los acuerdos internacionales que afectan al flujo de tráfico a través de los puertos de los países vecinos a Bolivia, estudiarán el efecto de éstos acuerdos sobre los costos y la selección de rutas alternativas, para el interior y exterior de Bolivia, y harán recomendaciones para efectuar modificaciones en los convenios que puedan ser requeridos para mejorar el flujo de importaciones y exportaciones a/de Bolivia y para alcanzar el uso mas económico de las facilidades de transporte existente y propuestas.

f) Tuberías

Los consultores estudiarán los ductos existentes y propuestos en Bolivia, el volumen y costo de transporte de los productos del petróleo, gas, y otros que se transportan por este medio para el comercio interior y exterior del país, y las políticas y reglamentos del gobierno relacionada con la construcción y operación de los ductos; basados en estos estudios, los consultores evaluarán el papel futuro de transporte por tuberías en Bolivia y determinarán la necesidad de expandir el sistema de ductos.

g) Evaluación de los costos y políticas existentes para transporte

Basados en los estudios de cada medio de transporte, indicadas desde a hasta f los consultores harán un análisis del costo real de cada medio de transporte, identificando el efecto de impuestos en estos costos y de cualquier distorsión que puede existir debido al nivel de precios de mano de obra, materiales, equipo o a las variaciones de los términos de intercambio.

Para evaluar las políticas de gobierno en cuanto a los precios, regulaciones y desarrollo del transporte, los consultores:

- 1) Analizarán los ingresos obtenidos por el gobierno de las tarifas gravámenes a los usuarios de cada medio de transporte y de todas las fuentes (inherentes al transporte) que incluyen aquella parte de las licencias u otros ingresos, impuestos al Fuel Oil, repuestos, vehículos, etc. los cuales pueden considerarse propiamente como gravámenes a los usuarios;
- 2) Determinarán la adecuación de las tarifas existentes y de los gravámenes a los usuarios para cubrir el costo del gobierno de construcción, mantenimiento y operación de cada componente del sistema nacional del transporte.



- 3) Sintetizará, analizará y evaluarán todas las leyes, sistema de tributación y otras medidas o prácticas existentes concernientes a la operación de cada medio de transporte;
- 4) Estudiarán y evaluarán los criterios corrientes que usa el Gobierno para decidir inversiones en el sector transporte y;
- 5) Harán un análisis crítico de la organización y operaciones de las agencias del gobierno responsables de la administración, reglamentación y planificación del transporte en Bolivia

#### h) Análisis y evaluación de la calidad de los servicios de transportes

Los consultores estudiarán la importancia de los tiempos de transporte y de la seguridad en la prestación de servicios para lo cual realizarán los estudios siguientes:

- 1) Determinación de los tiempos de transportes en cada medio, los componentes de este tiempo, el valor de este tiempo según lo que se traslada.
- 2) Evaluación de la pérdida económica en producción por causa de tiempos excesivos en transporte desde el lugar de producción a lugar de mercado potencial.
- 3) Evaluación de la pérdida económica sufrida por el país por causa de tiempo y costo excesivo en transporte.
- 4) Determinación del tiempo máximo permisible para el traslado de productos del centro de producción al mercado de consumo (tomando en cuenta ciertas mejoras posibles a introducirse en material de explotación y/o infraestructura).

Basados en los estudios anteriores los consultores harán recomendaciones para los transportes, tomando en cuenta las pérdidas económicas ocasionadas al usuario en la prestación de servicios por inseguridad y tiempos excesivos y estimarán el aumento en la capacidad de oferta, como resultado de disminución de tiempos de transportes que fueran recomendados.

### 3. Análisis de alternativas de mejoras en transporte

La revisión y pronósticos de las necesidades de transporte y el análisis del sistema de transporte existente en Bolivia indicado en las secciones B-1 y B-2, darán como resultado la identificación de una serie de posibles mejoras y ampliaciones del sistema de transportes del país. Los consultores evaluarán las mejoras y ampliaciones alternativas en transporte, analizando los benefi-



cios económicos que se prevé por las nuevas inversiones requeridas para cada ítem. El beneficio económico incluirán las reducciones en el costo de transporte, los ahorros en los costos de mantenimiento, y otros beneficios claramente identificables; donde el impacto creado por una mejora en transporte sea importante en el desarrollo. Deberá ser evaluado el valor neto de la producción adicional. Estos cálculos serán efectuados para la vida económica de cada inversión, sobre la base de estimaciones gruesas de costos y beneficios.

#### 4. Recomendaciones para inversiones en transporte

Basados en los análisis indicados en la sección N° 3, los consultores determinarán las prioridades relativas a las nuevas inversiones en transportes y prepararán recomendaciones para el desarrollo del mismo para los años 1968-1977, y un programa a mediano plazo para los años 1968-1972 en el que se encuentran especificados los proyectos y sus prioridades con máximo detalle, y la valorización de sus beneficios económicos directos e indirectos. Estas recomendaciones comprenderán un programa mínimo para atender las mas urgentes necesidades de transporte de Bolivia a niveles de nuevas inversiones no mayores que la inversión promedio anual efectuada en facilidades de transporte, durante el período 1960-1965 y programas suplementarios que podrían ser realizados si hubiera mas recursos disponibles. En la medida de lo posible el gobierno informará a los consultores en relación al orden de magnitud de los recursos totales que podrían disponerse para inversión en el sector transportes durante los próximos diez años. Los programas recomendados definirán los alcances de las mejoras propuestas en cada medio, fijarán el calendario de implementación de cada mejora y proveerán estimaciones de los componentes del costo en moneda local y extranjera.

Los consultores estudiarán también las fuentes alternativas de financiamiento del programa de inversiones propuesto y harán recomendaciones sobre los métodos mas apropiados de financiamiento.

#### 5. Recomendaciones sobre medidas y políticas gubernamentales

Los consultores prepararán un esquema de políticas y medidas gubernamentales tendientes a conseguir del transporte los máximos beneficios para la economía del país para lo cual tendrán que a) implementar el programa recomendado de nuevas inversiones en el sector transportes y b) obtener los máximos beneficios económicos tanto de la infraestructura del transporte existente en el país como



de las mejoras propuestas. Esto incluirá recomendaciones que deberán ser implementadas por los constructores referentes a:

- 1) La formulación de criterios apropiados sobre los cuales basar las decisiones sobre futuras inversiones y (desinversiones);
- 2) La aplicación de tarifas para pasajeros y carga que reflejan los costos de transporte de ferrocarriles, transporte aéreo, transporte carretero y transporte fluvial;
- 3) El establecimiento de gravámenes a los usuarios de carreteras y transporte fluvial interno que reflejen los costos del gobierno de construcción, mantenimiento y operación de las redes de carreteras y vías fluviales y facilidades relativas a las mismas;
- 4) La fijación de políticas concernientes a los sistemas de tributación y otras medidas fiscales a las obligaciones de servicio público, a la disponibilidad de créditos, etc., las cuales deberán ser imparciales para todos los medios de transporte;
- 5) El abandono, continuación o modificación de los reglamentos administrativos con relación a las empresas públicas y privadas; y
- 6) Los requerimientos y organización necesarios para desarrollar e implementar, sobre una base de continuidad, la planificación y las políticas de un transporte coordinado, incluyendo el tipo de organización, la amplitud de su autoridad y el escalafón requerido.

#### 6. Otros Estudios

Los consultores realizarán todos los estudios que crean conveniente para el desarrollo de los transportes en Bolivia y/o para implementar el estudio integrado que esté a su cargo, así como los que sean requeridos por el gobierno boliviano para llenar el mismo fin .

#### C. Asistencia a la Empresa Nacional de Ferrocarriles.

En 1961, la firma consultora SOFERRAIL fue contratada para hacer un estudio de los ferrocarriles bolivianos a fin de formular medidas apropiadas destinadas al mejoramiento de su operación y proponer los términos de referencia para una futura labor consultora. Las recomendaciones del informe preparado



por SOPRERAIL, referente a la rehabilitación de los ferrocarriles bolivianos fueron aprobadas por Resolución Suprema N° 117790 de fecha 21 de diciembre de 1962.

Las principales recomendaciones están sintetizadas en programas de corto y largo plazo. La Empresa Nacional de Ferrocarriles fué constituida el 6 de octubre de 1964 por la fusión de todos los ferrocarriles del sistema occidental; esta nueva administración es ahora responsable de la implementación de las recomendaciones SOPRERAIL. De las veinticinco recomendaciones del programa a corto plazo, diez ya han sido implementadas, cinco están en proceso de ser implementadas y diez no pueden ser cumplidas todavía debido a la necesidad de especialistas y a problemas administrativos. Cuatro especialistas serán provistos por los consultores para asesorar a los ferrocarriles bolivianos en la implementación de las recomendaciones que restan del programa a corto plazo y la totalidad de las del programa a largo plazo. Los alcances de la tarea de estos especialistas está indicada a continuación:

#### 1. Administración y Gerencia

Los consultores proveerán un asesor administrativo para colaborar en las actividades de la oficina del Gerente. El asesor administrativo aconsejará en:

- a) La aplicación de nuevos métodos de gerencia y en la centralización de estadísticas y contabilidad de suministros en la oficina central;
- b) El mejoramiento de la administración de personal y el establecimiento de una oficina centralizada de asesoría en asuntos de personal;
- c) La introducción de métodos de contabilidad de costos;
- d) La evaluación del programa de actividades que ha sido efectuada a la fecha; y
- e) Las medidas a ser adoptadas por la administración de los ferrocarriles en los casos donde las recomendaciones de SOPRERAIL no han sido todavía efectivamente implementados.

#### 2. Estudios tarifarios y política comercial

Los consultores proveerán 2 especialistas en contabilidad, estadísticas, tarifas y desarrollo de tráfico, quienes asesorarán al personal administrativo del ferrocarril en:



- a) Estudios de costos para determinar la necesidad de un ajuste en las actuales tarifas, considerando los costos de los ferrocarriles para el transporte de productos específicos en rutas específicas;
- b) Comparación de las tarifas ferroviarias con las correspondientes a medios competitivos y análisis del efecto potencial de los cambios de la estructura tarifaria sobre el volumen de tráfico que puede ser movilizado por ferrocarril;
- c) Investigación del efecto sobre los costos y beneficios ferroviarios debido a variaciones de las operaciones: (por Ejm. el intercambio de unidades de tracción con ferrocarriles extranjeros, transporte de correo, etc.) y
- d) La implantación de métodos de captación de tráfico comercial y prestación de otros servicios a los usuarios. (Por Ejemplo, inmediata investigación de reclamos de los usuarios, ajuste de itinerarios para satisfacer la demanda, etc.)

### 3. Mejoras Técnicas

Los consultores proveerán un especialista en ingeniería y operaciones ferroviarias para asesorar al personal técnico del ferrocarril en:

- a) Preparación de un programa de rehabilitación de la vía (cambios, durmientes, eclisas, tirafondos, producción de balasto y balastado, etc.)
- b) Implantación de procedimientos de conservación y de entrenamiento de su supervisores para contar con inspección regular y servicios de mantenimiento de vía, incluyendo puentes, túneles y obras de arte;
- c) Estudios de un programa de dieselización para determinar la forma mas efectiva y económica de sustitución de la actual tracción;
- d) Preparación de un programa de mantenimiento periódico para tracción y material rodante y planificación de las instalaciones requeridas en las maestranzas; y
- e) Preparación de gráficos de utilización de unidades de tracción para de terminar su óptima distribución entre varios depósitos de acuerdo con los requerimientos de tráfico.



#### D. Informes

Los consultores prepararán los siguientes informes:

- 1) Un informe inicial (4 copias en inglés y 4 copias en español) sintetizando las observaciones iniciales de los consultores;
- 2) Informe del progreso de sus labores a intervalo de 3 meses después de la presentación del informe inicial; (4 copias en inglés y 4 copias en español) dando una relación de todo el trabajo efectuado durante el período que abarca el informe y una síntesis de las observaciones encontradas en el interin;
- 3) El 31 de julio y el 31 de enero de cada año, un suplemento estadístico que consigne el personal empleado, el equipo pedido y recibido y los subcontratos firmados dentro de los períodos del primero de enero al 30 de junio y del primero de julio al 31 de diciembre respectivamente;
- 4) Un borrador del informe final a la terminación del proyecto (6 copias en inglés y 6 copias en español) resumiendo todo el trabajo efectuado, las conclusiones y recomendaciones de los consultores y proporcionando mapas, planos y diagramas del programa de desarrollo del transporte propuesto; y
- 5) Un informe final (en inglés y español, número de copias ha ser determinado por el gobierno y el Banco), incorporando todas las revisiones que se estimen apropiadas por los consultores, después de recibir los comentarios del gobierno y del Banco sobre el borrador del informe final.

#### III Informaciones, Servicios Locales y Facilidades a ser Provistos por el Gobierno.

##### A. Información Económica, Técnica y de Tráfico.

El Gobierno proveerá a los consultores toda la información disponible sobre:

- 1) El programa de desarrollo económico de Bolivia, incluyendo población, agricultura, petróleo, gas, minería e industria;
- 2) El tráfico por todos los medios de transporte; y
- 3) Mapas del país y sus redes de transporte; y
- 4) Costos actuales de proyectos de construcción reciente.



El gobierno proporcionará también a los consultores toda la información disponible sobre costos e ingresos de transporte y sobre la organización, operación y sistema de contabilidad de las agencias del gobierno responsables de la administración de transporte.

B. Cooperación entre las agencias del Gobierno y los contrapartes

En relación con el trabajo de los consultores que requiere la cooperación de otras agencias gubernamentales, el Gobierno proporcionará la ligazón correspondiente asegurando que los consultores tengan acceso a toda la información necesaria para la ejecución de los servicios.

El gobierno asignará contrapartes calificadas para trabajar con el personal ejecutivo de consultores. Los contrapartes serán asignados a tiempo completo para fines de vinculación, entrenamiento y revisión de las observaciones, conclusiones y recomendaciones de los consultores.

C. Facilidades y Personal

El Gobierno proveerá las siguientes facilidades para el uso de los consultores que realicen los servicios:

- 1)
- 2) ( a ser completado)
- 3)

El gobierno proporcionará el siguiente personal dependiente y técnico para ayudar a los consultores en la realización de los servicios:

- 1)
- 2) ( a ser completado)
- 3)

D. Transporte local para los consultores

El gobierno proporcionará a los consultores ----- choferes para vehículos a ser conseguidos por los consultores. Según este contrato y (a ser completado)

IV - Calendario

Los consultores comenzarán el trabajo de campo de este proyecto dentro de 30 días calendarios a partir de la fecha efectiva de este contrato.

Los consultores presentarán los informes citados en la sección II D dentro de los siguientes plazos:



|                             |                                                                                                              |
|-----------------------------|--------------------------------------------------------------------------------------------------------------|
| Informe Inicial:            | Dentro de cuatro meses a partir de la fecha efectiva del contrato.                                           |
| Borrador del Informe Final: | Dentro de trece meses a partir de la fecha efectiva del contrato.                                            |
| Informe final:              | Dentro de 60 días de recibidos los comentarios del gobierno y del Banco sobre el borrador del informe final. |



Files

September 6, 1966

Alberto J. Favilla

BOLIVIA - Transport Study

1. A Working Party meeting was held on September 1, 1966, to discuss the letter received from Ing. Zapata of the National Secretariat of Planning, on August 11 in response to the letter sent by the Association on June 17, under Mr. Knox's signature, indicating to the Bolivians that no funds could be used out of the local contribution to the transport study for carrying out preliminary work studies. Present were: Messrs. Knox, Engelmann, J. Wright, Sassoon, Riley, Favilla, and Miss Powell.
2. Mr. Knox summarized the letter received. In essence, the position taken by the Bolivian Government is that it would not undertake any preliminary study if the expenses incurred in connection with such work are not to be included as part of the Bolivian contribution to the transport study. US\$120,000 was the amount suggested by the Bolivian Government as required for the preliminary studies.
3. The Working Party agreed that while such preliminary work was desirable, it was not a requisite in the UNDP Agreement. The Bolivians proposed to do this work on their own initiative. It was felt by those present that the whole amount of US\$120,000 allocated to cover local operating expenses for the consultants, would probably not be fully used since living costs in La Paz are relatively low. The Working Party requested the representatives of the Projects Department to explore the possibilities of allocating part of the US\$120,000 to cover some of the preliminary studies and thus encourage the Bolivian authorities to proceed in this work. It was assented that after reviewing the per diem allowances, Mr. Engelmann would prepare a reply to Ing. Zapata's letter indicating whether or not funds out of the Bolivian contribution could be allocated for the preliminary work.
4. Mr. Knox said that he thought members of the Working Party should know of the problems in Bolivia with regard to power rates. Satisfactory rates had been put into effect on July 26 but since then there had been considerable pressure on the Government to cancel the rate increase. At present, we did not know what would happen; but we should give some thought to what policy we would follow on the transport study if the worst occurred and we suspended disbursements on the power credits. Mr. Sassoon felt that the management may wish not to undertake further operations in Bolivia including the task of executing agency for UNDP projects. The remaining

September 6, 1966

members of the Working Party felt that if the Bank were to suspend disbursement on the power credits, such an action would involve only the power sector and not the remaining sectors of the Bolivian economy. In addition they noted that the Bank had already agreed to become executing agency for the transport study. It was agreed, Mr. Sassoon reluctantly, that it would be premature to put this problem to the management until we could see more clearly what was happening.

cc: Mr. Alter

Cleared with and cc: Messrs. Knox  
Sassoon

cc: Miss Powell  
Messrs. Engelmann/Wright  
Riley  
Keltie/Danski  
Favilla

AJFavilla/AJKnox:ndk/rev



*original*

Ref: DP/SF 310 BOL 15

August 12, 1966

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

Dear Mr. Cohen:

Please find enclosed three copies of the draft Plan of Operation for the Bolivian Integrated Transport Survey.

We should like to draw your attention to the fact that the structure of this plan of operation differs from earlier ones in so far as the two letters, which in the past have been annexed, have now been incorporated in the plan of operation itself and certain repetitious provisions have also been eliminated. These modifications have evolved from a review within the Bank of past plans of operation with a view towards the possibility of developing a standard form which, with the addition of certain unique elements for each individual project, could be used for future plans of operation. We hope to send you copies of such a draft standard plan shortly for your review and comments.

In order not to delay this project, we would, however, ask you to consider the attached draft plan of operation as the Draft Plan of Operation for the Bolivian Transport Survey only, and we would appreciate your comments on this basis.

Yours sincerely,

Arnold Rivkin  
Development Services Department

HHansen:fph

cc: Messrs. Knox  
Engelmann/Wright  
Reamy  
Sassoon/Steckhan

*ju fl* File Bol 15 -  
yellow

Mr. A. David Knox

August 9, 1966

Harald Hansen

Draft Plan of Operation for the Bolivian Integrated Transport Survey

A disagreement has arisen with regards Section 3.01 of this Plan of Operation and I would recommend that a brief Working Party meeting be held to reach a settlement.

Mr. Reamy of the Treasurer's Department feels that the figure in section 3.01 (a) should be \$829,200 while Mr. Sassoon of the Legal Department feels that the figure should be \$825,400—the difference being the \$3,800 for UNDP direct costs.

The UNDP project officer informed me that either of the following two procedures would be acceptable:

- a) using \$825,400 in 3.01(a) or
- b) using \$825,400 in 3.01(a) and then add a reference to the \$3,800

I would recommend that we follow alternative (b) by adding the following sentence after 3.01(b):

"In addition the Special Fund will pay an amount not in excess of the equivalent of \$3,800 to be applied to the costs related to project evaluation or operation incurred directly by the Administrator."

I may mention that this procedure was used in the case of Brazil-12—Plan of Operation for the Survey of Power Development for South Central Brazil.

HHansen:fph

cc: Messrs: Reamy  
Sassoon  
Wright

*o.k. Mr. Sassoon  
will have the  
page rechecked  
8/9/66 JCH*



*Mr. Riley*  
*one fl*

Mr. David Knox

August 2, 1966

Warren C. Baum

BOLIVIA - Transport Survey  
Terms of Reference

Transmitted herewith are ten copies of the draft Terms of Reference for the Bolivia Transport Survey, which has been revised in accordance with comments received from your Division last week. We understand that you will arrange to have the draft translated into Spanish, prior to sending it to the Bolivian Government for comment.

PEngelmann:vbm  
Attachments

cc: Mr. Riley ✓  
Mr. Steckhan  
Mr. Reamy  
Mr. Adler  
Mr. Main  
Mr. North  
Mr. Parthasarathi  
Mr. Regling

BOLIVIA TRANSPORT SURVEY

Terms of Reference

- I. OBJECTIVES
- II. SCOPE OF CONSULTING SERVICES
  - A. General
  - B. Transport Development Studies
    - 1. Review and Forecast of Transport Needs
    - 2. Analysis of the Existing Transport System
      - (a) Railroads
      - (b) Highways and Road Transport
      - (c) Inland Waterways and Navigation
      - (d) Airports and Civil Aviation
      - (e) Ocean Ports and International Links
      - (f) Pipe-lines
      - (g) Assessment of Present Transport Costs and Policies
    - 3. Analysis of Alternative Transport Improvements
    - 4. Recommended Transport Investments
    - 5. Recommended Government Policies and Measures
    - 6. *Other*
  - C. Assistance to the National Railroad Company
    - 1. Administration and Management
    - 2. Tariff Studies and Commercial Policy
    - 3. Technical Improvements
  - D. Reports
- III. DATA, LOCAL SERVICES AND FACILITIES TO BE PROVIDED BY THE GOVERNMENT
  - A. Economic, Traffic and Technical Data
  - B. Cooperation of Governmental Agencies and Counterparts
  - C. Facilities and Supporting Staff for the Consultants
  - D. Local Transportation for the Consultants
- IV. TIME SCHEDULE



## I. OBJECTIVES

The purpose of this survey is to formulate the basis for the coordinated development of all forms of transport in Bolivia. To this end, the survey shall provide:

- (a) recommendations for the improvement of the operations, organization and management in each transport mode;
- (b) a program of transport investments for 1968-1977, based on economic priorities of specific projects for each transport mode; and
- (c) recommendations for Government policies and measures relating to transport administration, regulation, and coordination.

This survey is also to provide technical assistance to the National Railroad Company in the implementation of measures approved by the Government on the basis of a study of Bolivian railroads made by SOFRERAIL in 1962.

## II. SCOPE OF CONSULTING SERVICES

### A. General

This survey shall cover the entire country and all modes of transport that have a significant role in the national economy of Bolivia, including railroads, highways and highway transport, inland waterways and navigation, airports and civil aviation, pipelines and access to the sea via adjacent countries, including the railroads, roads and ports in these countries to the extent that they are relevant to Bolivian traffic. The survey will focus primarily on inter-city traffic and will not include studies of intra-city traffic, except to the extent that inter-city traffic may be affected

(e.g. bypasses and terminals).

The Consultants shall perform all technical and administrative studies, economic analyses, financial investigations, and related work herein described, as required to attain the objectives given in Section I hereof. In the conduct of this work, the Consultants shall cooperate fully with the Government which will provide data and services outlined in Section III hereof; however, the Consultants shall be solely responsible for the analysis and interpretation of all data received and for the conclusions and recommendations contained in their reports.

B. Transport Development Studies

1. Review and Forecast of Transport Needs

The Consultants shall review and summarize all available data on passenger and freight traffic in foreign and domestic commerce, by all modes of transport, on the principal routes within Bolivia and on the routes outside the country which connect Bolivia with major ocean ports in Chile and Peru. Breakdowns shall be prepared of traffic flows by mode and by principal commodities, indicating significant seasonal variations in flow. This review shall cover the transport history of Bolivia for the past five years, but consideration shall also be given to transport data of earlier years, where such data may be of importance to future developments.

The Government will advise the Consultants of the policies of the Government regarding the development of various sectors of the economy of Bolivia and of the anticipated locations and sizes of future agricultural, industrial, petroleum, gas and mining developments and related storage facilities. The Consultants shall analyze the prospective growth in each major sector of the Bolivian economy and estimate the expected volumes of production and consumption that may result therefrom.



Based on identification and evaluation of all major traffic generating sources, on the anticipated national income of Bolivia, and on the prospective growth and distribution of population, the Consultants shall prepare forecasts of the nature and volume of traffic flows which the country's transport system will have to accommodate in the years 1968 through 1977.

2. Analysis of the Existing Transport System

(a) Railroads

The Consultants shall review all available data and reports prepared by others on the existing railroads of Bolivia, make a general inspection of the entire network, and prepare an independent analysis of the economic, operational and financial aspects of the western and eastern parts of the system. This analysis shall take into account the present and anticipated future traffic demand related to mining, industrial and agricultural developments in the regions served by the railroad and the role of competitive modes of transport.

The western part of the Bolivian railroads has recently been integrated into one government-owned system, under a single Bolivian management; the eastern part of the system (Yacuiba-Santa Cruz-Corumba, 1175 km) is managed by mixed committees of Bolivia, Brazil, and Argentina. The Consultants shall determine the technical and economic feasibility of connecting the western with the eastern part of the railroad and evaluate the operational, organizational and financial results of such connection. In addition, the Consultants shall investigate such other improvements in railroad services and facilities as would, in their view, substantially increase the efficiency of railroad operations, and make recommendations for the implementation of these improvements.

Where present traffic densities and estimated future traffic demand indicate that lines or sections of the railroad systems are uneconomic, the Consultants shall study the availability and cost of alternative transport modes and make detailed recommendations for phased discontinuance of service on and the ultimate abandonment of such uneconomic lines or sections, for the years 1968 through 1977. The Consultants shall also estimate the possible reduction in labor force and the financial results of these recommendations.

(b) Highways and Road Transport

The Consultants shall review all available data and reports on the existing highway system of Bolivia and make a general inspection of all major highway routes in the country. Based on the information obtained by such review and inspection, the Consultants shall prepare an inventory and general classification of highways. The classifications shall include:

- (i) Primary (first class or main) highways;
- (ii) Secondary (second class) highways;
- (iii) Tertiary (farm-to-market or feeder) highways;
- (iv) tracks (roads with little or no earthwork or drainage).

The inventory shall indicate, by major sections of the roads, the general geometric and construction standards (type of base, width and type of surfacing), capacity of structures, mileage, geographic distribution, present state of maintenance, and general adequacy for present traffic.

In addition, the Consultants shall:

- (1) review and collate all available data on the volume, type and weights of traffic using the national highway system and make recommendations for the future systematic collection of traffic data;



- (2) analyse the present geometric and construction standards and specifications used by the Government and make recommendations as to the standards to be adopted for future construction of different classifications of highways in various types of terrain;
- (3) analyse the policies, organization, staffing, equipment, operation and executive capacity of the agencies of the Government responsible for constructing and maintaining the national highway system and make specific recommendations for needed strengthening and/or improvement, as may be found necessary;
- (4) analyse the costs of maintenance operations and budgetary provisions for highway maintenance over the past five years, the present budgetary allocations for highway maintenance, and estimate the financial requirements for highway maintenance during the next five years;
- (5) review the highway construction methods at present in use in Bolivia, assess the capability of the Government agencies and of Bolivian contracting firms to carry out future highway construction, and analyse the current unit cost for constructing typical highways built to acceptable standards (including estimates of the foreign and local currency components of such cost);
- (6) review the current methods of contracting for highway construction work, the forms of contract in use, and make recommendations for necessary improvements;

- (7) review existing legislation regarding the control of motor vehicle weights and dimensions, highway traffic, and operations of the highway transport industry, comment on the adequacy of such legislation and of its enforcement in relation to highway conditions in Bolivia, and make recommendations for necessary improvements;
- (8) review the existing patterns of vehicle ownership and usage by main categories and estimate the cost of vehicle ownership and operation over the existing highway system; and
- (9) study a representative sample of the major public and private highway transport enterprises and assess their capacity for providing present and anticipated services in inter-city transport.

(c) Inland Waterways and Navigation

The Consultants shall study the inland waterways in Bolivia and related transport enterprises, to assess the future role of inland water transport in the internal distribution system of the country and in foreign trade. The Consultants shall review and analyze:

- (1) the port and river conditions affecting inland water transport;
- (2) the type, age and condition of vessels in use;
- (3) the organization and management of inland shipping enterprises;
- (4) the cost of vessel operation and repair, cargo handling, administration and cargo solicitation; and
- (5) the financial condition of agencies and firms in inland water transport.



On the basis of the above analyses, the Consultants shall identify the major shortcomings of the inland water transport industry and make recommendations for such improvement as may be justified in the light of the economic costs of alternative transport modes. The Consultants shall also estimate the order of magnitude of the investment needed to achieve the proposed improvements and define the scope of further studies needed prior to their implementation.

(d) Airports and Civil Aviation

The Consultants shall study the present status of civil aviation in Bolivia and assess the future role of air transport in domestic and foreign commerce of the country. In this study the Consultants shall review and analyze:

- (1) the type, age and condition of aircraft in use;
- (2) the facilities and conditions at major airports serving civil air traffic;
- (3) the organization and management of airports and air carriers offering domestic and foreign services;
- (4) the cost of operation and maintenance of aircraft and airports; and
- (5) the financial condition of Bolivian firms and agencies engaged in domestic and foreign air services.

On the basis of the above analyses and on forecasts of future traffic demand, the Consultants shall identify the major shortcomings of the civil aviation industry and make recommendations for needed improvements in air service and airport facilities. The Consultants shall also estimate the order of magnitude of the investment needed to achieve the proposed

improvements and define the scope of further studies needed prior to their implementation.

(e) Ocean Ports and International Links

Studies of ocean ports serving Bolivia in Chile and Peru and of the international links to these ports as well as to Argentina, Brazil and Paraguay shall be limited to a general review of present transport operations, determination of existing transport capacities and costs, estimates of future needs, and the identification of major shortcomings and bottlenecks. The Consultants shall make an inspection of the ports and connecting links outside Bolivia which play a significant part in carrying the country's foreign commerce, and determine the improvements in operations, facilities and equipment which may be justified by the estimated future traffic. The Consultants shall also make recommendations for additional studies, if any, which may be needed to implement necessary improvements, and identify the agencies outside Bolivia which would have to cooperate in the planning and execution of such studies.

The Consultants shall also investigate the status of international agreements affecting the movement of traffic through port facilities of the countries neighboring Bolivia, study the effect of these agreements on the costs and selection of alternative routes both within and outside Bolivia, and make recommendations <sup>thereon</sup> ~~for any modifications in the agreements~~ that may be required to improve the flow of Bolivia's exports and imports and to achieve the most economic use of existing and proposed transport facilities.

(f) Pipe-lines

The Consultants shall study the existing and proposed pipe-lines in Bolivia, the volume and cost of transport of petroleum products, gas, and other commodities moving in domestic and foreign commerce by this mode, and



the Government's policies and regulations relating to pipe-line construction and operation; based on these studies, the Consultants shall assess the future role of transport by pipe-line in Bolivia and determine the need for expansion of the pipe-line system.

(9) Assessment of Present Transport Costs and Policies

Based on the studies of each transport mode outlined in (a) through (e) above, the Consultants shall make an analysis of the real cost of transport by mode, identifying the effect of taxes on these costs and of any distortions that may exist due to pricing of foreign exchange, labor, material, or equipment, *including the time loss due to delays and inadequate service. The consultants shall also public service obligation and government regulations.*

To assess the policies of the Government in transport pricing, regulation and development, the Consultants shall:

- (1) analyze the revenues derived by Government from tariffs and user charges on each mode of transport and from all sources, including that part of license or other fees, taxes on fuel, spare parts, vehicles, etc., which may be appropriately considered user charges;
- (2) determine the adequacy of existing tariffs and user charges to cover the cost to Government of constructing, maintaining and operating each component of the nation's transport system;
- (3) summarize, analyze and evaluate all <sup>relevant</sup> existing laws, taxation, and other regulatory measures or practices concerning the operation of each mode of transport;
- (4) study and evaluate the criteria currently in use by the Government for making investment decisions in the transport sector; and

- (5) critically analyze the organization and operations of Government agencies responsible for administration, *operation*, regulation and planning of transport in Bolivia.

(3) Analysis of Alternative Transport Improvements

The review and forecast of transport needs and the analysis of Bolivia's existing transport systems outlined in Sections B-1 and -2 above will result in the identification of a number of possible improvements and extensions of the country's transport system. The Consultants shall evaluate the alternative transport improvements and extensions by analyzing the anticipated economic return on new investment required for each item. The economic return shall include reductions in transport costs, savings in maintenance costs, and other clearly identifiable benefits; where the development impact of a transport improvement is important, the net value of output added shall be assessed. These calculations shall be made for the economic life of each investment, on the basis of broad estimates of costs and benefits.

4. Recommended Transport Improvements *Investments*

Based on the analysis outlined in Section B-3 above, the Consultants shall determine the relative priorities of new investments in transport and prepare *specific* recommendations for transport development for the years 1968 through 1972, *and more general recommendations for years 1973-77*. These recommendations shall comprise a minimum program, to serve Bolivia's most urgent transport needs at levels of new investment not greater than the average annual investment in new transport facilities during 1960-1964, and supplementary programs which could be undertaken if more resources become available. To the extent possible, the Government will advise the Consultants regarding the order of magnitude of total resources that will become available for investment in the transport sector during the next ten years. The recommended programs shall define



the general scope of the proposed improvements in each mode, give the time schedule for implementation of each improvement, and provide estimates of the foreign and local currency cost components.

The Consultants shall also study alternative sources of financing the proposed investment program and make recommendations as to the most appropriate methods of financing.

#### 5. Recommended Government Policies and Measures

The Consultants shall prepare an outline of Government policies and measures necessary to (a) implement the recommended program of new investments in the transport sector and (b) obtain the maximum economic benefits from both the existing transport infrastructure of the country and from the proposed improvements. This shall include recommendations on:

- (1) the formulation of appropriate criteria on which to base future investment and disinvestment decisions;
- (2) the application of ~~railroad and air transport~~ <sup>or government operated transport enterprises</sup> rates and fares which reflect transport costs;
- (3) the establishment of ~~highway and inland waterway~~ <sup>applicable to the private transport enterprises</sup> user charges which reflect the cost to Government of constructing, maintaining and operating the road and <sup>airways</sup> waterway networks and related facilities;
- (4) the establishment of policies concerning taxation and other fiscal measures, public service obligations, credit availability, etc., which are neutral between the various modes;
- (5) the abandonment, continuation or modification of administrative <sup>and tariff</sup> regulations relating to private and public transport enterprises; and

16) The improvements called for the organization of existing agencies responsible for administration, operation, regulation, and planning ~~of each mode of transport and/or~~ <sup>the formation of its activities</sup> ~~of new agencies~~ to perform these functions; and.

12.

(f) the organizational requirements needed to develop and implement on a continuing basis coordinated transport policies and planning, including the type of organization, the extent of its authority, <sup>the formation of its activities</sup> and the staffing requirements.

C. Assistance to the National Railroads

In 1961, the consulting firm SOFRERAIL was retained to make a study of Bolivian railroads, to formulate appropriate measures for improving their operation, and to propose the terms of reference for future consultative activity. The recommendations of the report prepared by SOFRERAIL in connection with the rehabilitation of the Bolivian Railways were approved by Supreme Resolution No. 117790 on December 21, 1962.

The main recommendations are compiled in a Short Term and a Long Term Program. The EMPRESA NACIONAL DE FERROCARRILES was formed on October 6, 1964, by combining all railroads of the western system; this new administration is now responsible for implementing the SOFRERAIL recommendations. Of the twenty-five recommendations in the Short Term Program, ten are already implemented, five are in the process of being implemented and ten cannot be put into effect as yet, due to the need for specialists and administrative problems. Four specialists shall be provided by the Consultants, to assist the Bolivian railroads to implement the remaining recommendations of the Short Term Program and the entire Long Term Program. The scope of the task of these specialists is outlined in the following.

1. Administration and Management

The Consultants shall provide an Administrative Adviser to support the activities of the Office of the Manager. The Administrative Adviser will assist in:

*The above recommendation shall not include the drafting of specific laws and regulations or the promulgating regulatory measures.*



- (a) the application of new management methods and the centralization of supplies statistics and accountancy at the Head Office;
- (b) the improvement of personnel policies and the setting up of a centralized Staff Division;
- (c) the introduction of cost accounting methods;
- (d) the evaluation of the program of action that has been completed to date; and
- (e) the measures to be taken by the railroad administration in cases where SOFRERAIL's recommendations are not yet being effectively implemented.

2. Tariff Studies and Commercial Policy

The Consultants shall provide two specialists in accounting, statistics, tariffs, and traffic development, who shall assist the administrative staff of the railroad in:

- (a) cost studies, to determine the need for adjustment of present tariffs in the light of costs incurred by the railroad in carrying specific commodities on specific routes;
- (b) comparisons of railroad tariffs with the rates charges by competing modes, and analyses of the potential effect of changes in the tariff structure on the volume of traffic that can be carried by rail;

- (c) investigation of the effect on railroad costs and revenues of a wide range of performance variations (e.g. the exchange of motive power units with foreign railroads, transport of mail, etc.); and
- (d) the institution of commercial traffic solicitation methods and of other customer services (e.g. prompt investigation of claims by users, adjustments in service schedules to meet demand, etc.).

3. Technical Improvements

The Consultants shall provide one specialist in railroad engineering and operations, to assist the technical staff of the railroad in:

- (a) preparation of a track rehabilitation program (switches, cross ties, rail fastenings, ballast production and ballasting, etc.);
- (b) introduction of maintenance procedures and the training of supervisors to provide regular inspection and repair services for the permanent way, including bridges, tunnels, and other structures;
- (c) studies of a program of Dieselization, to determine the most effective and economical phasing of replacements for present motive power;
- (d) preparation of a program of scheduled maintenance for motive power and rolling stock and planning of required repair shop installations; and
- (e) preparation of utilization graphs, to determine the optimum distribution of power units among various depots, in accordance with traffic requirements.



D. Reports

The Consultants shall prepare the following reports:

- (1) an Inception Report (4 copies in English and 4 copies in Spanish) summarizing the initial findings of the Consultants;
- (2) Progress Reports at 3-month intervals after submittal of the Inception Report (4 copies in English and 4 copies in Spanish), giving a statement of all work performed during the reporting period and a summary of interim findings;
- (3) by July 31 and January 31 of each year, a Statistical Supplement showing personnel employed, equipment ordered and delivered, and sub-contracts entered into for the preceding periods of January 1 to June 30 and July 1 to December 31, respectively;
- (4) a Draft Final Report upon completion of the project (6 copies in English and 6 copies in Spanish), summarizing all work performed, the findings and recommendations of the Consultants, and giving maps, plans and diagrams of the proposed transport development program; and
- (5) a Final Report (in English and Spanish; number of copies to be determined by the Government and the Bank) incorporating all revisions deemed appropriate by the Consultants after receipt of comments on the Draft Final Report from the Government and the Bank.

### III. DATA, LOCAL SERVICES AND FACILITIES TO BE PROVIDED BY THE GOVERNMENT

#### A. Economic, Traffic and Technical Data

The Government will provide the Consultants with all available data on:

- (1) the economic development program of Bolivia, including population, agriculture, petroleum, gas, mining and industry;
- (2) traffic by all modes of transport;
- (3) maps of the country and its transport networks; and
- (4) cost experience on recent construction projects.

The Government will also furnish the Consultants with all available information on transport costs and revenues and on the organization, operation and accounting system of the Government agencies responsible for transport administration.

#### B. Cooperation of Governmental Agencies and Counterparts

In connection with work by the Consultants that requires the co-operation of other Government agencies, the Government will provide liaison and will ensure that the Consultants have access to all information required for the completion of the Services.

The Government will assign qualified counterparts to work with the key personnel of the Consultants. The counterparts will be assigned on a full-time basis for the purpose of liaison, training, and review of the findings and recommendations of the Consultants.



C. Facilities and Staff

The Government will provide the following facilities for use by the Consultants in performing the Services:

- (1) (To be completed) *Office Space*
- (2) "
- (3) "

The Government will furnish the following clerical and technical personnel to assist the Consultants in performing the Services:

- (1) (To be completed)
- (2) "
- (3) "

D. Local Transportation for Consultants

The Government will provide the Consultants with \_\_\_\_\_ drivers for vehicles to be procured by the Consultants under this Contract and (to be completed).

IV. TIME SCHEDULE

The Consultants shall commence field work on this project within thirty calendar days of the effective date of this Contract.

The Consultants shall submit the reports mentioned in Section II-D hereof within the following time periods:

- Inception Report - within four months of Contract effective date.
- Draft Final Report - within thirteen months of Contract effective date.
- Final Report - within sixty days of receipt of comments on the Draft Final Report from the Government and the Bank.

BOL-15

*Mr. Hilly*  
*our file*

June 17, 1966

Ing. Oscar Zapata Z.  
Director de Infraestructura  
Secretaria Nacional de Planificacion y Coordinacion  
La Paz, Bolivia

Re: UNDP Transport Survey

Dear Ing. Zapata:

I am writing in reply to your letter of May 30, 1966  
addressed to Mr Hans Wyss.

We were pleased to hear that the Government has created a Comision Organizadora for the purpose of coordinating the counterpart contributions which will be made by the Republic of Bolivia to the Transport Survey financed by the United Nations Development Programme (UNDP). We also note that the Comision Organizadora will endeavor to collect available data on existing transport and on general economic aspects of the country, prior to commencement of field work by the consultants. Such preparatory work is indeed necessary and important for the successful execution of the survey and we should like to take this opportunity to express our appreciation of the Government's efforts in this regard.

It may be helpful for the Comision Organizadora to refer to the enclosed three copies of a standard questionnaire on transport and related economic data. This questionnaire has been prepared by the Bank for use by its own staff in the study of transportation, wherever the Bank undertakes general economic missions. The items listed in the questionnaire will give the appropriate ministries an indication of the type of information that will be required by the consultants for the survey project. It should be understood, however, that the consultants will supplement the questionnaire with requests for additional data in specific areas of study after their arrival in Bolivia, and that some of the items listed in the questionnaire, which is a document intended for general use, will not apply to the specific conditions in Bolivia.

Referring to the question in the tenth paragraph of your letter, we do not believe that the cost of collecting data prior to arrival of the consultants, estimated by you to cost US\$200,548 equivalent, can be considered as a part of the Government's counterpart contributions of US\$265,400 equivalent to the project. The Government's application to



June 17, 1966

the UNDP provided an itemized list (ref. pages 8 and 9 of the English translation), which indicates that the entire amount of US\$265,400 will be required for the following:

- (a) Personnel (Services of governmental employees, full time, who will cooperate with the Study Group)...\$ 61,400
- (b) Equipment, services and facilities.....\$ 45,000
- (c) Fellowships (salaries of personnel to be selected for fellowships).....\$ 39,000
- (d) Fifteen percent contribution.....\$120,000
- Total.....\$265,400

You are probably aware that the personnel covered in item (a) above is estimated for the ten-months period during which the consultants will be in Bolivia and this item could not, therefore, cover any appreciable expenditures prior to arrival of the consultants. While "Fifteen percent contribution" is no longer the appropriate designation for item (d), the amount listed (\$120,000) will be required largely to cover the local currency costs incurred by the consultants while in Bolivia (per diem allowances, etc.). We therefore suggest that the Government explore the possibility of financing the preparatory work of the Comisión Organizadora from local funds other than those currently earmarked as the Government's counterpart contribution to the survey.

We are at present working on the preparation of detailed Terms of Reference for the consultants' contract. During the first week of July, we expect to mail to you a draft of these Terms of Reference, for your comment, together with a list of consultants to be invited to submit proposals, for your approval. The tentative time schedule for this project is as follows:

- |                                                 |                        |
|-------------------------------------------------|------------------------|
| 1. Mailing of invitations to consultants        | July 29, 1966          |
| 2. Receipt of consultants' proposals            | September 12, 1966     |
| 3. Contract negotiations                        | September 26-30, 1966  |
| 4. Consultants' mobilisation                    | month of October, 1966 |
| 5. Commencement of consultants' work in Bolivia | November 1, 1966       |

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Cleared with and cc: Messrs Engelmann

✓ Riley

cc: Messrs Wyss  
Sassoon  
Keltie  
Masoni

PEngelmann:vbm/jd

Ref: DP/SF 310 CHI 27  
DP/SF 310 BOL 15

June 16, 1966

Mr. W. J. van der Oord  
Acting Director  
Bureau of Operations and Programming  
United Nations Development Programme  
United Nations, New York

Dear Mr. van der Oord:

Thank you for your letter of June 7 regarding the Chilean proposal for an integrated regional development plan for Arica. We appreciate the relationship this has to the Bolivian Integrated Transport Survey and would appreciate your keeping us informed of further developments in this regard. Meanwhile, you may rest assured that we will advise you of any developments in connection with the Bolivian project which seem to be relevant to the Arica proposal.

In regard to the planned timing of the Bolivian investigation, we are advising the Government this week as follows. We are at present working on the preparation of detailed Terms of Reference for the consultants' contract. During the first week of July, we expect to mail to the Government a draft of these Terms of Reference, together with a list of consultants to be invited to submit proposals. The tentative time schedule for this project is as follows:

- |                                                    |                        |
|----------------------------------------------------|------------------------|
| 1. Mailing of invitations to consultants           | July 29, 1966          |
| 2. Receipt of consultants' proposals               | September 12, 1966     |
| 3. Contract negotiations                           | September 26-30, 1966  |
| 4. Consultants' mobilization                       | month of October, 1966 |
| 5. Commencement of consultants' work<br>in Bolivia | November 1, 1966       |

We trust this information will fill your needs.

Sincerely yours,

Vincent J. Riley  
Development Services Department

VJRiley:fph

cc: Mr. Knox  
Mr. Engelmann



|                     |                 |
|---------------------|-----------------|
| <b>ROUTING SLIP</b> | Date<br>6/10/66 |
|---------------------|-----------------|

| NAME                    | ROOM NO. |
|-------------------------|----------|
| Mr. Englemann <i>CE</i> | 471      |
| V. J. 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

Can you give me the  
answers — particularly  
to the question in the  
last sentence?

The attached draft (for you and)  
contains the answer.

From

(2177)

6/11

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/CHI 27  
DP/SF/310/BOL 15

7 June 1966

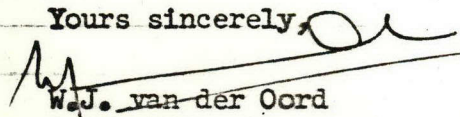
Dear Mr. Demuth,

I am writing in reference to the Integrated Transport Survey of Bolivia and its possible relationship to a project proposal we have received from Chile.

The Government of Chile has recently submitted a request for a preparatory assistance mission to help formulate an application for Special Fund assistance in a proposed integrated regional development plan for Arica. Some groundwork has been done by a United Nations physical planning expert stationed in Santiago under EPTA, and it is envisaged that the project inter alia would strengthen the port facilities of the city of Arica which had been, as you know, an important outlet to the sea for land-locked Bolivia. We have informed the Government of Chile of our agreement to its request for preparatory assistance and are planning to send a consultant mission to Arica this coming fall.

In previous correspondence between the IBRD and the UNDP it was agreed that the Bolivian Integrated Transport Survey, in the event of approval by the Governing Council, would include an investigation of the status of international agreements affecting the movement of traffic to "external port facilities" (point 7 of Mr. Riley's letter to Mr. Cohen of 18 March). As this examination - and any recommendations and activities which may result therefrom - would have a bearing on the development plans for Arica, I would appreciate it if you could keep us informed of developments concerning this aspect of the Bolivia project which you consider relevant to the Arica proposals. ~~I would also appreciate it if you could~~ inform us of the arrangements and approximate timing planned by the IBRD for this investigation with a view possibly to the holding in the future of consultations between the IBRD and the UNDP consultant mission which will be visiting Arica.

Yours sincerely,

  
W.J. van der Oord  
Acting 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





PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS: 22243 - 22224 - 28793

CAJON POSTAL 5116  
CABLES: "SEDEPLA"

La Paz, 30 de mayo de 1966.

Al señor

Dr. Hans Wyss  
BANCO INTERNACIONAL DE  
RECONSTRUCCION Y FOMENTO

Presente.-

Señor:

Ref: Informe sobre la solicitud al Fondo Especial  
de Naciones Unidas, para el estudio integra-  
do de transportes en Bolivia.

El 5 de enero del presente año, el gobierno de Bolivia presentó una solicitud al Fondo Especial de Naciones Unidas en la cual se manifiesta la intención de realizar con la cooperación interna - cional, un estudio integrado de transportes, el mismo que comprende estudios básicos en todos los sub-sectores de transporte, pronósti- cos de crecimientos, pronósticos de volúmenes a transportarse, así como investigaciones que permitan trazar un programa a largo y corto plazo en que se especifiquen prioridades de proyectos para cada sub- sector con cifras relativas a costos y beneficios de las posibles in versiones.

El trabajo estaba planeado para ser cubierto en 10 meses, con la participación de 13 expertos de Naciones Unidas en distintos campos de la economía y el transporte. El personal boliviano asig- nado al proyecto comprende: 5 ingenieros y economistas y 10 funcio- narios especializados, además de una planta completa de personal auxiliar, el mismo que trabajará a órdenes de un ingeniero coordina- dor que será designado por el Ministro de Planificación.

El costo total del proyecto fué calculado en 1.065.400 \$us. de los cuales 800.000 \$us. corresponden a la contribución del Fondo Especial y 265.000 \$us. a la contrapartida del gobierno boliviano.

A fines del mes de enero se realizaron consultas con los organismos nacionales para considerar las medidas complementarias

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PRESIDENCIA DE LA REPUBLICA  
**SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION**  
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS 22243 - 20221 - 28733

CAJON POSTAL: 3113  
CABLES: "SEDEPLA"

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2.-

que serán necesarios para la realización del proyecto. El 8 de febrero se creó una Comisión Organizadora, constituida por los directivos de las instituciones y empresas estatales de transporte y los Ministerios de Obras Públicas, Hacienda y Economía. La Comisión fué presidida por el Ministro de Planificación.

La Comisión Organizadora elaboró un programa de actividades para ser ejecutado como fase previa a la llegada de los expertos del Fondo Especial, estableció el presupuesto de operaciones, las contribuciones en personal, equipo y facilidades de parte de cada una de las instituciones participantes, así como las medidas de coordinación correspondientes a la fase previa de estudios, la misma que sería realizada por un grupo de trabajo nacional como etapa preparatoria a la contratación de expertos del Fondo Especial de Naciones Unidas.

La mencionada Comisión Organizadora estableció un programa que en líneas generales comprende los siguientes estudios:

1. Análisis de los sectores económicos estrechamente vinculados al transporte.
2. Análisis del sector externo.
3. Análisis del sector transporte propiamente dicho.
4. Financiamiento de los diferentes medios de transporte.

En síntesis el programa incluye un análisis del origen y destino de los bienes que se producen o consumen en el país; la determinación del capital social básico en infraestructura de transporte; el estudio de los costos y tarifas; el régimen legal y administrativo de los diferentes medios de transporte; los ingresos y erogaciones estatales requeridos para el mantenimiento de los servicios de transporte; la política de financiamiento y de inversiones en transporte en los últimos años.

De cumplirse esta primera fase se obtendrían las siguientes ventajas:

- Se dispondría de toda la información básica, siste-

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./.





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 3116  
CABLES: "SEDEPLA"

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3.-

matizada y ordenada a la llegada de los expertos.

- La realización del trabajo permitiría mejorar considerablemente la contrapartida del gobierno boliviano.
- Se utilizaría en mejor forma el trabajo de los expertos extranjeros.

El costo de esta primera fase asignada al grupo boliviano de trabajo es de \$us. 200.548.

En abril la Comisión Organizadora hizo entrega del informe al Gobierno, y él decidió que la fase previa podría realizarse siempre que el Fondo Especial de Naciones Unidas reconociera el costo de 200.548 como parte de la contribución boliviana de contrapartida al proyecto.

Como una consulta sobre esta decisión del gobierno no es oportuna hacerla aún, solamente se ha informado al señor Representante Residente de Naciones Unidas en forma muy general sobre el problema.

En fecha 25 de marzo se conoció una nota del Administrador del Fondo Especial de Naciones Unidas, en la que se proponen ciertas modificaciones, las cuales en su integridad han sido aceptadas por el Gobierno de Bolivia, también se aceptó la proposición de que el Banco Internacional de Reconstrucción y Fomento sea la Agencia Ejecutora para el proyecto.

Las modificaciones propuestas pueden sintetizarse en los siguientes puntos:

- a) El proyecto se llamará "Estudio integrado de los transportes".
- b) Las contribuciones se modifican en la siguiente forma:

I. Categoría de la Asistencia

|                   |               |
|-------------------|---------------|
| Expertos          | 24.000 \$us.  |
| Becas             | 40.000 "      |
| Equipo            | 35.000 "      |
| Sub-Contratos     | 725.000 "     |
| Varios            | 1.400 "       |
| Costo bruto total | 825.000 \$us. |

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./.



PRESIDENCIA DE LA REPUBLICA  
SECRETARIA NACIONAL DE PLANIFICACION Y COORDINACION  
LA PAZ - BOLIVIA

AV. 20 DE OCTUBRE ESQ. F. GUACHALLA  
TELEFONOS: 22249 - 29224 - 28733

CAJON POSTAL: 3916  
CABLES: "SEDEPLA"

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4.-

|                                                        |               |
|--------------------------------------------------------|---------------|
| II. <u>Contribución de la Contraparte del Gobierno</u> | 265.000 \$us. |
| III. <u>Gastos Locales de Operación</u>                | 3.600 "       |
| IV. <u>Duración</u>                                    | Un año        |

El rubro Sub-Contratos comprende la contratación de 13 expertos previstos en la solicitud original más la partida de gastos imprevistos.

Nosotros queremos dejar establecido que de realizarse la primera fase de estudios con personal nacional, las erogaciones en que incurra el Gobierno por este concepto debieran formar parte de la contrapartida convenida. Sin embargo creemos que los detalles pueden ser negociados cuando sea aprobada la solicitud y en función al programa de operaciones.

Sin embargo será útil que se tome en cuenta las innegables ventajas que tendrá para el mejor éxito del proyecto, la realización de una fase preliminar que permita realizar la investigación básica, la selección de información y la organización de un Grupo de Trabajo que cubra antes de la llegada de los expertos una considerable parte del proyecto.

Nos será muy útil conocer su opinión o el resultado de consultas que Ud. haga.

Saludo a Ud. con toda atención.

  
Ing. Oscar Zapata Z.  
DIRECTOR DE INFRAESTRUCTURA  
SECRETARIA DE PLANIFICACION

OZZ/clar.



|                                                                                    |                         |              |                      |
|------------------------------------------------------------------------------------|-------------------------|--------------|----------------------|
| ROUTING SLIP                                                                       |                         | Date<br>8/29 |                      |
| 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                                                                            |                         |              |                      |
| A Working Party meeting<br>will take place soon to<br>discuss the attached letter. |                         |              |                      |
| From<br>A. J. Faville.                                                             |                         |              |                      |

Mr. A.J. Favilla

Room 584

PRESIDENCY OF THE REPUBLIC  
MINISTRY OF PLANNING AND COORDINATION

LA PAZ, BOLIVIA

REGISTERED MAIL  
NO. 108286

La Paz, 1 July 1966

Mr. A. David Knox  
Western Hemisphere Department  
International Development Association  
1818 H Street, N.W.  
Washington, D.C.

Dear Mr. Knox:

This is in reply to your letter of 17 June in which you refer to my letter addressed to Dr. Hans Wyss.

We have received the questionnaires you sent, and are studying them. I have no comment to make as yet, but I am of the opinion that we should revise our work program for the preliminary studies on the basis of the requirements listed in the standard form you sent.

On 21 June we received the United Nations letter informing us that the Governing Council of UNDP had approved the plan for the Integrated Study on Transportation in Bolivia with the changes suggested by the Administrator. Therefore we are prepared to officially forward the suggestions of the Organizing Committee proposing the program of preliminary studies, since, as I informed Dr. Wyss there have as yet been no consultations with the Special Fund on this matter.

As I explained before, we are bound by the decision of our Government with respect to the manner of financing preliminary studies, since the Government has instructed us that the preliminary studies will only be made if their cost is included as the Bolivian contribution to the project, and we shall not be able to continue negotiations until we receive an official reply from the Administrator of the United Nations Special Fund.

I should like to remind you that the various items included in the Bolivian contribution to the project, which you cite in your letter (paragraphs 4 to 10 of p. 2)

TRANSLATION SECTION

1463/66

Translated From: Spanish 8/17/66 By: RS/cs



have been changed to comply with the recommendations made by the Administrator of the United Nations Special Fund, as I explained in my letter to Mr. Wyss.

In making his proposal, the Administrator stated: "The Executive Council document will list an estimated counterpart expenditure on the part of the Government equivalent to US\$265,000. The Government must also pay in domestic currency the local operating expenses of the project, representing approximately fifteen per cent (15%) of the estimated cost in respect of experts." (The cost of experts in the amended application totals US\$24,000.)

The contributions have been amended at the recommendation of the Administrator, as follows:

|                                                   | <u>Previously</u> | <u>Now</u> |
|---------------------------------------------------|-------------------|------------|
| II. Counterpart Contribution<br>by the Government | 145,000           | 265,000    |
| III. Local operating expenses                     | 120,000           | 3,600      |

On the basis of the counterpart contributions available for staff, equipment, and facilities we propose the following arrangements:

Contributions of the Bolivian Government  
to the Integrated Study on Transportation

|                                         |      |                |
|-----------------------------------------|------|----------------|
| 1. Staff assigned to the project        | US\$ | 61,000         |
| 2. Equipment, services, and facilities  | US\$ | 45,000         |
| 3. Fellowships (stipends of recipients) | US\$ | 39,000         |
| 4. Participation in preliminary studies | US\$ | 120,000        |
|                                         |      | <u>265,000</u> |

This would provide financing for part of the total cost of the preliminary studies proposed by the Organizing Committee.

On the basis of the above, the Minister of Planning will confer with the Administrator of the U.N. Special Fund on the financing of the preliminary studies, irrespective of the other steps we are taking to obtain local contributions to the project.

Yours truly,

s/ Oscar Zapata, Engineer  
Director of Basic Organization

FORM No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

6/10/66

NAME

ROOM NO.

Mr. Engelmann

471

Mr. Knox

584

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

This looks like something we should be  
keeping in mind as we prepare the Bolivia  
Transport Project.

From

(2177)



C  
O  
P  
Y

UNITED NATIONS DEVELOPMENT PROGRAMME  
UNITED NATIONS  
NEW YORK

Ref: DP/SF 310 BOL 15

8 June 1966

Dear Mr. Demuth

I wish to refer to our letter dated 22 April concerning the creation by the government of Bolivia of an Organizing Commission entrusted to draw up a programme of activities for a working group, on the preparation of studies concerning the integration and rationalization of transport in Bolivia.

.....

Attached herewith please find a copy of the Report produced by the Organizing Commission as it may be of interest to you.

Yours sincerely,

W.J. van der Oord  
Acting Director  
Bureau of Operations and Programming

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

cc: 1 copy of incoming letter  
sent to (1) Mr. Englemann  
(2) Mr. Knox  
attached to document.

Original letter sent to General Files 6/10/66

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

6 May 1966

Dear Dick,

BOLIVIA: Integrated Transport Survey

Please refer to our letter of 2 May, attaching the recommendations of the Administrator for projects in our June 1966 programme for which the International Bank for Reconstruction and Development is the designated Executing Agency. I am now writing specifically about the Integrated Transport Survey project in Bolivia.

The comments contained in your letter of 18 March 1966 were taken into account when preparing the documentation to our Governing Council. However, the Governing Council paper will show a provision of \$24,000 for a project manager, but this item can be changed at the time of the discussion of the Plan of Operation and the provision for the project manager may be included in the subcontract.

.....  
The attached table sets out the difference between the original request submitted by the Government and the proposals of the Administrator.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Myer Cohen".

Myer Cohen  
Assistant Administrator  
and

Director, Bureau of Operations and Programming

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

cc: Mr. Knox  
Mr. Englemann  
Original to files 5/11/66



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

COMPARATIVE TABLE

| I.   | <u>CATEGORY OF ASSISTANCE</u>       | <u>Requested by the Government</u>         | <u>Proposed by the UNDP (Special Fund)</u> |
|------|-------------------------------------|--------------------------------------------|--------------------------------------------|
| 1.   | <u>Experts</u>                      | -                                          | 1 m/y US\$ 24,000                          |
| 2.   | <u>Fellowships</u>                  | 12-3/4 m/y US\$ 50,000<br>(17 fellowships) | 7-1/2 m/y US\$ 40,000<br>(10 fellowships)  |
| 3.   | <u>Equipment</u>                    | US\$ 25,000                                | US\$ 35,000                                |
| 4.   | <u>Subcontract</u>                  | US\$ 610,000                               | US\$ 725,000                               |
| 5.   | <u>Contingencies</u>                | US\$ 115,000                               | -                                          |
| 6.   | <u>Miscellaneous</u>                | -                                          | US\$ 1,400                                 |
|      | TOTAL GROSS PROJECT COSTS           | US\$ 800,000                               | US\$ 825,400                               |
| II.  | GOVERNMENT COUNTERPART CONTRIBUTION | US\$ 145,000                               | US\$ 265,000                               |
| III. | LOCAL OPERATING COSTS               | US\$ 120,000                               | US\$ 3,600                                 |
| IV.  | DURATION                            | One year                                   | One year                                   |

EXPLANATION OF TABLE

The UNDP (Special Fund) proposals differ from the Government's request for the following reasons:

I. CATEGORY OF ASSISTANCE

1. Experts. The provision under this item has been calculated using the current pro forma of \$24,000 per man-year for experts. The inclusion of one man-year represents the post of Project Manager.
2. Fellowships. Fellowship costs have been calculated on the basis of \$1,000 for travel expenses per fellowship plus \$1,000 for each three-month period under fellowship. The request proposed a total of 17 fellowships of 9 months each, 5 professional and 12 technical. We have recalculated this component and now propose 5 professional fellowships (\$20,000) and 5 technical fellowships (\$20,000) of 9 months each).

/...



-2-

3. Equipment. The request proposed an amount of \$25,000 for mobile laboratory and field equipment. To this figure we have added \$10,000 for the cost of the final report which will not be required if the report will be provided by the subcontractor.
4. Subcontracts. We have retained the amount proposed by the Government of \$610,000 for the cost of 13 experts. Also included in this component is the figure referred to under the heading "Contingencies" of \$115,000 bringing the total amount for this category to \$725,000.
5. Miscellaneous. This has been calculated on the usual basis of 6 per cent of total expert costs.

II. GOVERNMENT COUNTERPART CONTRIBUTION

We have added the amount of \$120,000 indicated in the request under the heading 15 per cent contribution to the \$145,000 indicated as the Government counterpart contribution bringing the total of the Government counterpart contribution to \$265,000.

III. LOCAL OPERATING COSTS

This figure has been calculated on the usual basis of 15 per cent of total expert costs or 15 per cent of \$24,000 = \$3,600.



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

22 April 1966

Dear Dick,

Re: Bolivia: Integrated Transport Survey

.....

I am enclosing a copy of the letter received from our Resident Representative in Bolivia containing information concerning the proposed transport survey that may be useful to you.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Myer Cohen".

Myer Cohen

Assistant Administrator

and

Director, Bureau of Operations and Programming

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

cc: Mr. Knox  
Mr. Baum

Original to files 5/2/66



NACIONES UNIDAS

JG/enc

CASILLA 686

Edificio "Conavi" 10º. piso

Av. 20 de Octubre esq. F. Guachalla

LA PAZ - BOLIVIA

Teléfonos: 22394 - 23279 - 10415

Cables: "UNDEVPRO" La Paz

Referencia: 1-4-22/885

13 April 1966

Dear Mr. Cohen,

With reference to the UNDP (Special Fund) project for an Integrated Transport Study, I should like to inform you of a number of new developments which have been taking place within the Bolivian administrative framework which will be largely responsible for the local counterpart contribution to the project.

The Government has created, by Decree No. 1131804 of 8 February 1966, an Organizing Commission charged with the preparation of a work programme necessary for the activities of a Working Group, which in turn will initiate the collection and organization of data with the objective of completing an integrated study of the transport sector. The President of the Organizing Commission is the Minister of Planning, and the other members are:

Under-Secretary, Ministry of Public Works  
Director, National Highway Service  
Director-General, Directorate of Railways (Ministry of Public Works)  
Manager, National Railway Company  
Director-General of Civil Aviation (Ministry of Public Works)  
Director-General, Department of Hydrography and Navigation  
General Manager, Lloyd Aereo Boliviano  
Director of Infrastructure, Ministry of Planning  
Representative, Ministry of Economy  
Representative, Ministry of Finance and Statistics.

All these representatives are authorized by the Decree to nominate alternate members to carry on the Commission's activities on a full-time basis, and it is these persons who form the nucleus of the Working Group previously mentioned.

The Group's programme has been divided into five distinct areas:

- i) Analysis of economic activities closely tied to the transport sector;
- ii) Analysis of the external sector;
- iii) Analysis of the transport sector itself;

Mr. Myer Cohen  
Assistant Administrator and Director  
Bureau of Operations and Programming  
UN Development Programme  
UNITED NATIONS, NEW YORK.-



- iv) Financing of different transport means;
- v) Execution of the request for assistance to the UNDP (Special Fund).

I am sure you will appreciate that this programme signifies a rather considerable effort on the part of the Bolivian authorities concerned. Each sector will require detailed studies on freight movements, industrial and agricultural production, comparative costs, depreciation and maintenance, taxation, policies etc., in a situation where a good deal of this information does not exist. I should also like to emphasize that the national authorities envisage the work programme, as briefly described above, as preliminary to the possible assistance coming from the UNDP (Special Fund) project, and rather designed to supply a needed basis for the subsequent activities of such a project.

I was invited to meet the Working Group on 5 April last, with the objective of explaining the nature of UNDP (Special Fund) procedures and the concept of the Executing Agency. At this meeting, the point was raised as to what extent the current activities of the Working Group on transport might be considered as part of the Government's counterpart contribution to the project. Mention was also made of the possibility that as soon as practicable after the approval of the project itself, the Executing Agency might send to Bolivia a Project Co-ordinator who would assume overall direction of the Working Group's activities and supervise all the preliminary studies in course of execution, which might then be considered as forming part of the Government's counterpart contribution contained in the request. It was suggested that this measure would serve to implement project activities more rapidly, in the interval between its approval by the Governing Council and the arrival in the country of the expert team appointed by the Executing Agency.

I mention these points because I believe they will be raised again at a later date, and should appreciate your guidance concerning them.

As confirmed in my cable No. 78 of today, we have now received the Government's official acceptance of the terms proposed by the Administrator, and I am attaching a copy of this letter.

Yours sincerely,

Eduardo Fernández-Espinar  
Officer in Charge



DEVELOPMENT  
PROGRAMME



Distr.  
RESTRICTED

DP/SF/R.2/Add.4  
18 April 1966

ENGLISH  
ORIGINAL: ENGLISH/SPANISH

DECLASSIFIED

GOVERNING COUNCIL  
Second session  
8-24 June 1966  
Agenda item 5

JUN 06 2025

BOL. 15

WBG ARCHIVES

UNITED NATIONS DEVELOPMENT PROGRAMME (SPECIAL FUND)

Recommendation of the Administrator

BOLIVIA

Integrated Transport Survey

|                                        |                                                                                                               |                  |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------|
| Governing Council earmarking:          | <u>1/</u>                                                                                                     | \$835,200        |
| Government's counterpart contribution: | <u>1/</u>                                                                                                     |                  |
| estimated at equivalent of:            |                                                                                                               | \$265,000        |
| Duration:                              | One year                                                                                                      | <u>1,100,000</u> |
| Purpose:                               | To undertake studies of all modes of transport as a basis for a co-ordinated transport development programme. |                  |

Executing Agency: The International Bank for Reconstruction and Development

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| VI. Recommendations . . . . .     | 20                |

1/ The Government's cash payments towards local operating costs are included under the Governing Council earmarking and not in the Government's counterpart contribution.

GOVERNING COUNCIL



## I. Introduction

1. The Administrator submits the following report and recommendations on the application of the Government of Bolivia for assistance in an integrated transport survey.

## II. Background

2. A mountainous landlocked country, Bolivia presents many problems for the transport planner. The western third of the country encompasses the Andean highlands, while to the east and north lie the lowlands and then the tropical jungles of the Amazon basin. Most of the country's mineral production, which provides the bulk of its exports, is found in the mountain zone and is exported through ports in Chile via the western railway system, which has a total of 2,339 kilometres of track. There is also an eastern system, with 1,222 kilometres of track, which links Bolivia to Brazil and Argentina, but the two networks are not connected, being separated at their nearest points by more than 200 kilometres of mountainous terrain.

3. In consequence, the only connexions between the eastern and western parts of the country are by road or air. There are at present over 13,000 kilometres of highways and roads under the jurisdiction of the National Highway Service, an international airport at La Paz equipped to handle jet aircraft and some 200 small airfields handling light cargo planes, many in areas served by no other form of transport. Of the thirty airlines operating in Bolivia, most are small private companies.

4. The Government also operates a small fleet of river craft, mainly in the north where there are a number of navigable rivers. They carry a certain amount of local freight and some foreign trade with Brazil, but road links between the rivers and population centres in the hinterland are few and of poor quality.

5. In recent years, Bolivia has received considerable bilateral assistance in improving its road and rail links. Many main roads have been improved and considerable new road construction has taken place, particularly in the area around Santa Cruz in eastern Bolivia, where the Government is promoting settlement and increased agricultural production.

/...



6. In 1962, a consultant firm financed by bilateral aid carried out surveys of the railways. Its principal recommendations - administrative integration of most of the railway system and reduction of personnel - have since been carried out, while the implementation of other recommendations, such as the administrative strengthening of the National Railway Company, is in the planning stage. The railways have been hard hit by the decrease in output of the mines, their major freight customers, and by a loss of passengers to the bus lines. Both roadbeds and rolling stock are generally antiquated and in poor repair, but under present conditions of low density of traffic, they are able to meet the demand. However, any significant expansion in rail traffic will require sizable expenditures to improve facilities.

7. Rational planning of future improvements of the transport system will require not only that the development of each type of transport be examined in terms of its effect upon the others, to ensure complementarity and avoid duplication, but also that efforts be made to assess the probable growth trends in different parts of the country and different economic sectors, and the traffic likely to be generated by such growth. The Government has therefore requested the assistance of the UNDP (Special Fund) in conducting such studies. The implications of potential transport development of interest to neighbouring countries may be considered at a later stage.

8. The request has been evaluated by a consultant to the Administrator.

### III. The Project

9. The purpose of the project, the duration of which is approximately one year, is to assist the Government of Bolivia in undertaking an integrated transport survey, and to advise on administrative and financial measures to improve the efficiency of the transport sector.

10. The survey, which will form the basis for planning the co-ordinated development of transportation, will cover the following aspects:

(a) Brief surveys of the major economic sectors, upon which will be based forecasts of probable growth trends by sector, the volume of traffic which such growth will generate, and the role of transport development in stimulating the expansion of the economy;

/...



(b) Surveys of existing transport facilities and of present and potential competition between alternative forms of transport;

(c) Traffic studies; and

(d) A critical analysis of the adequacy of the transport network and the prospects of securing high factors of utilization of the existing facilities.

11. These studies will be followed by formulation of a co-ordinated ten-year programme, indicating priorities for specific investment projects for roads, railways, aviation and river transport. The programme for the first five years (1968 - 1972) will be worked out in detail and that for the subsequent five years in more general terms. The benefits to be derived from the recommended projects will be assessed.

12. Recommendations will also be formulated on ways of improving the operation of the transport system in the short run, concentrating upon improvements in the organization and administration of each type of transport. In particular, the railway administration will receive assistance in accounting and statistics, cost analysis, rate setting, general administration and personnel policies.

13. Finally, proposals will be drawn up for the establishment of a special governmental department to co-ordinate and regulate all forms of transport.

14. The UNDP (Special Fund) will provide the services of one full-time expert to act as Project Manager. All other experts will be provided under subcontract. A total of ten fellowships for counterpart staff will be awarded. A small amount of laboratory and field equipment and vehicles will also be included.

15. Under its counterpart contribution, the Government is prepared to provide professional, technical and ancillary staff, fellowships, equipment, office facilities and services. The Co-operating Government Agency will be the Ministry of Public Works.

#### IV. Executing Agency

16. The International Bank for Reconstruction and Development has indicated its readiness to serve as Executing Agency.

/...



# V. Financial Provisions

17. It has been estimated that the total Governing Council earmarking will be as follows:

|                                                   |                                  | <u>Phasing of expenditure</u> |
|---------------------------------------------------|----------------------------------|-------------------------------|
|                                                   | <u>Total cost<br/>(in \$ US)</u> | <u>First<br/>year</u>         |
| Experts                                           | 24,000 <sup>a/</sup>             | 24,000                        |
| Fellowships                                       | 40,000                           | 40,000                        |
| Equipment                                         | 35,000                           | 35,000                        |
| Subcontracts                                      | 725,000                          | 725,000                       |
| Miscellaneous                                     | 1,400                            | 1,400                         |
| TOTAL GROSS<br>PROJECT COSTS:                     | 825,400                          | 825,400                       |
| Executing Agency<br>overhead costs                | 6,000                            |                               |
| UNDP (Special Fund) <sup>b/</sup><br>direct costs | 3,800                            |                               |
| GOVERNING COUNCIL<br>EARMARKING:                  | 835,200                          |                               |

<sup>a/</sup> Gross cost representing one man-year of expert services.

<sup>b/</sup> Includes any expenditure for costs related to project evaluation or operation incurred directly by the Administrator.

18. Included in the total Governing Council earmarking is an amount estimated at the equivalent of \$3,600 representing 15 per cent of the estimated gross expert cost, which will be paid by the Government as a cash contribution towards local operating costs of the project. In addition, the Government is expected to make a counterpart contribution estimated at the equivalent of \$265,000. The exact amounts will be determined at the time of signature of the Plan of Operation.

19. To the extent administratively desirable, the Administrator is prepared to include in the gross project budget, subject to the concurrence of the Government, any part of the counterpart contribution which the Government agrees to make in cash directly to the UNDP (Special Fund), and to show the Governing Council earmarking increased accordingly.

/...



VI. Recommendations

20. The Administrator

- (a) Recommends that the Governing Council earmark \$835,200 for this project, of which \$825,400 will be for project costs, \$3,800 for UNDP (Special Fund) direct costs and \$6,000 for clearly identifiable additional costs incurred by the Executing Agency in the execution of the project;
  - (b) Requests the authorization of the Governing Council to conclude the appropriate arrangements.
-

Governing Council Paper

sent to Miss Baker

3/28/67

with Plan Op. & letter of March  
20th.



## OFFICE MEMORANDUM

TO: Mr. Vincent J. Riley

FROM: Joseph C. Reamy *J. C. Reamy*

SUBJECT: UNDP - Bolivia - Integrated Transport Survey

DATE: March 31, 1966

Agency costs for this project are estimated at \$6,000 as follows:

|                                               |                |
|-----------------------------------------------|----------------|
| Three return journeys Washington<br>to La Paz | \$2,100        |
| Subsistence                                   | 900            |
| Audit fees - two years                        | 500            |
| Miscellaneous and contingencies               | <u>2,500</u>   |
|                                               | <u>\$6,000</u> |

EP/mpc

Ref: DP/SF 310 BOL 15  
DP/SF 310 GUI 13  
DP/SF 310 NIR 23

March 31, 1966

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

Dear Mr. Cohen:

This will confirm my telephone call to Mr. Shields earlier today in which I furnished the Bank's estimate of its overhead costs for the three projects in the June Program for which we are indicated as Executing Agency. These estimates are:

|                                                      |         |
|------------------------------------------------------|---------|
| ✓ BOL 15 - Bolivia Integrated Transport Survey       | \$6,000 |
| GUI 13 - Guinea Road Transport Improvement           | \$8,000 |
| NIR 23 - Road Development Survey in Northern Nigeria | \$8,000 |

Sincerely yours,

Vincent J. Riley  
Development Services Department

VJRiley:fph

cc: Miss Powell  
Projects (Transport Div.)



## OFFICE MEMORANDUM

TO: Mr. S. R. Cope

DATE: March 21, 1966

FROM: Gerald Alter *gh.*SUBJECT: BOLIVIA - UNDP Integrated Transport Survey - Executing Agency

In recommendations prepared for submission to the Inter-Agency Consultative Board at its meeting this week, the United Nations Development Programme proposes that the Bank serve as Executing Agency for an Integrated Transport Survey for which the Government requested UNDP assistance. The request will be considered at the next meeting of the UNDP Governing Council in June.

The request to the Bank to act as Executing Agency would appear to be the logical result of our past interest and activity in Bolivian transport. The Bank financed the survey of the Bolivian railways carried out by Sofrerail in 1962. One of the consequences of that survey was a request to the Bank in June, 1964 for assistance in engaging five experts to help the railway management in carrying out the Sofrerail recommendations. As a result a Bank mission visited Bolivia in September, 1964, to explore the type of assistance required.

That mission concluded that the railways urgently required help. It was considered, however, that, since the assistance was not related to a Bank financed project nor would it lead to a project suitable for Bank financing, it would be inappropriate for the Bank itself to finance the assistance. The mission also concluded that there was a need for a general transport survey "to undertake a thorough economic, financial, and operational survey of all railway problems ....., in the light of present circumstances, and taking into account related mining, agricultural and road transport developments". Such a survey was necessary to provide a proper basis for preparing an investment program.

There then followed a long series of discussions between the Bolivian Government, the UN Special Fund, U.S.AID, and ourselves. The outcome was that the UN Special Fund indicated they would not finance management consultants alone but might consider a package of a transport survey and management consultants. The Bolivian Government submitted in June 1965 a request to the UN Special Fund for management consultants. Subsequently, in February 1966, they submitted the consolidated request now under consideration for a transport survey and management consultants.

Given our past involvement and also the desirability of having a rational basis for taking decisions on transport investments in Bolivia, it would seem appropriate for the Bank to act as Executing Agency. The Working Party therefore recommends, and I concur that we agree to serve as Executing Agency on this project subject to:

- (a) The Government's concurrence - which is standard UNDP procedure - and,

Mr. S. R. Cope

- 2 -

March 21, 1966

- (b) the agreement of the UNDP to the views expressed by the Bank in its letter March 18, 1966 (copy attached) regarding the scope and implementation of this project. No difficulty is expected on this latter point.

Should the above recommendation be agreeable to you, the Development Services Department would inform the UNDP accordingly.

Enc.

I agree  
  
March 23/66





# Record Removal Notice

|                                                                                                      |                                  |                                                                                                                                                                            |
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| <b>File Title</b><br>Bolivia - Integrated Transport Study - Survey Numbers - DP/SF BOL 15 - Volume 1 |                                  | <b>Barcode No.</b><br><br>1011647                                                                                                                                          |
| <b>Document Date</b><br>02/25/1966                                                                   | <b>Document Type</b><br>Document |                                                                                                                                                                            |
| <b>Correspondents / Participants</b><br>UNDP (Special Fund)                                          |                                  |                                                                                                                                                                            |
| <b>Subject / Title</b><br>Official Request from the Government of Bolivia                            |                                  |                                                                                                                                                                            |
| <b>Exception(s)</b><br>Information Provided by Member Countries or Third Parties in Confidence       |                                  |                                                                                                                                                                            |
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|                                                                                                      |                                  | <table border="1"><tr><td><b>Withdrawn by</b><br/>Salma Berrada</td><td><b>Date</b><br/>May 23, 2025</td></tr></table>                                                     |
| <b>Withdrawn by</b><br>Salma Berrada                                                                 | <b>Date</b><br>May 23, 2025      |                                                                                                                                                                            |

DP/SF/310/BOL 15  
DP/SF/EIL/BOL 15

March 18, 1966

Mr. Myer Cohen  
Assistant Administrator and  
Director, Bureau of Operations and Programming  
United Nations Development Programme (Special Fund)  
United Nations, New York

Dear Mr. Cohen:

I am writing with reference to Mr. Henry's letter of February 9 transmitting a copy of the revised request from the Government of Bolivia for assistance from the UNDP in undertaking an Integrated Transport Survey and a copy of Mr. Saltzoff's report on the matter. Mr. Henry asked for our comments on the request as well as our views on several specific points.

Generally, as you know, this project has already been the subject of a rather extensive interchange between the Government, the UNDP and the Bank. We strongly support the present request from the Government since we believe that the Integrated Transport Survey will provide the Government with the basis on which to plan and undertake an orderly development of the country's transport system.

With regard to the specific points raised by Mr. Henry, I shall take them in the order they appear in his letter:

- 1) We believe the duration of the project should be one year. Similar surveys are conducted by the Bank in comparable time lengths, and we feel that an extension of time beyond one year may cause difficulties in retaining highly qualified experts for the project. The experts proposed for assisting the Government in carrying out improvements in railway organization and operation, as outlined in Paragraph 8 of the summary, also should be able to complete these tasks within this period. However, it should be noted that as a result of the proposed UNDP studies, additional measures may be recommended and the Government may require further assistance for their implementation. This should not be covered under the same consultants' contract as the



one covering the general transport survey, but under this project, terms of reference and a budget for technical assistance for implementation during subsequent years could be prepared.

- 2) The detailed five year investment program to be worked out under the project would start, after completion of the survey, at a time to be determined by the Government.
- 3) We agree with your proposals concerning fellowships; we also believe that it would be useful to train counterparts in advance of the start of the survey.
- 4) We agree that the entire project be handled under a contract with a qualified consulting firm or a consortium of firms, as is normally done on studies for which the Bank is executing agency. The budget of \$800,000 for the UNDP contribution appears sufficient and includes an adequate "safety margin" for our negotiations with the consultants to be selected for undertaking the study. Of course, as you know, we will only be in a position to indicate the exact amount needed for the survey after we have had discussions with such consultants.
- 5) We would assume that questions of the methods used in Bolivia for collecting and analyzing economic data can be studied by the general, transportation, and agriculture economists on the team, without adding a special expert on research methodology.
- 6) The question of adequacy of the contingency is covered by what has been said under point 4) above.
- 7) We also believe that an investigation of the status of international agreements affecting the movement of traffic to "external port facilities" will have to be included in the proposed survey.
- 8) We believe that the amount of \$265,000 proposed as the Government's contribution to the study will be adequate. However, it will be possible to determine the exact amount and nature of the Government contribution only after we have had discussions with the consultants to be selected for the survey.

In addition we would assume that minor adjustments in the staffing and in the terms of reference would still be possible after a more thorough review of the material submitted, as for example the handling of the question referred to under point 5) above. Also, it might be desirable to have a single expert for accounting, statistics, and tariffs, instead of the two experts listed on page 7 of the application, and to add a specialist on railroad operations.

One further comment might be added. As you know, there is still outstanding a question on the compensation to be paid by the Government to the former British owners of railways in Bolivia, and as long as this is unresolved it could be an obstacle to investment in this sector. While it is well to keep this in mind, we do not believe it should bar the Special Fund assistance here proposed.

Yours sincerely,

Vincent J. Riley  
Development Services Department

HKearig/W.Riley:Jen

cc: Messrs. Knox (2) (cleared with)  
Engelmann ( " " )  
Rosen  
Sampson



## OFFICE MEMORANDUM

TO: Mr. N. Koenig

DATE: March 11, 1966

FROM: Warren C. Baum *WCB 3/11*SUBJECT: BOLIVIA - Transport Survey  
Comments on Request to UNDP  
(Special Fund) from Government

In reference to your memorandum of February 16, we have the following comments on the application for the Bolivia transport study:

- i. *lengths* The duration of the project should be one year. Similar surveys are ~~being~~ conducted by the Bank in ~~6 to 9~~ *comparable* A months, and we feel that an extension of time beyond one year may cause difficulties in retaining highly qualified experts for ~~assignment~~ to the project. We therefore do not concur with Mr. Henry's suggestion to extend the time to 24 months;
- ii. to assist in the implementation of the proposed program and in the improvements in railroad organization and operation, a different type of technical assistance will be required. *[This should not be covered under the same consultants' contract as the general transport survey, but the latter could prepare terms of reference and a budget for technical assistance in implementation during subsequent years;*
- iii. *We agree* ~~we would suggest~~ that the entire project be handled under a contract with a qualified consulting firm or a consortium of firms, as is normally done on studies for which the Bank is executing agency; B *add 70 mm to request in the future*
- iv. the budget of US\$ 800,000 appears sufficient and includes an adequate provision for contingencies;
- v. it should be understood that, if the Bank is executing agency for this project, we would be permitted ~~to~~ make minor adjustments in the staffing and in the terms of reference after a more thorough review of the material submitted. To illustrate the type of modification which we would consider in staffing, we would probably ~~suggest~~ a single expert for accounting, statistics, and tariffs, instead of the two experts listed on page 7 of the application, and ~~we would probably~~ add a specialist on railroad operations. C *We would also assume that questions of the methods used in Bolivia for collecting and analyzing economic data can be studied by the general, transportation, and agriculture economist on the team, without adding a special expert on research methodology. Furthermore, we would add qualifications in highway maintenance to the staffing requirements of one of the highway experts.*

D

E

March 11, 1966

In commenting on the Bolivian application, the Bank may wish to refer to the following quotation from paragraph 37 of Mr. Loven's report dated October 23, 1964 on the Bolivian Railways:

"Before the Bank were to get involved in the proposed technical assistance either directly or as executing agency for the U.N. Special Fund, it would be desirable that an agreement be reached between the Government and the British Companies with regard to the compensation to be paid by the Government for the British owned railways in Bolivia."

PEngelmann:vbm

IBRD

cc: Mr. Loven  
Mr. Hardy  
Mr. Main

*formerly*

(F)



524  
UNITED NATIONS  
DEVELOPMENT PROGRAMME



34  
NK  
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

28 February 1966

Dear Mr. Demuth,

..... As mentioned in our letter of 24 February, we are hereby sending you three copies of a résumé of the request received from the Government of Bolivia for assistance from the United Nations Development Programme (Special Fund) for an Integrated Transport Survey in Bolivia.

We should be grateful for any comments which the International Bank for Reconstruction and Development may wish to make on this request.

Yours sincerely,

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

Copy 7  
for internal summary  
+ UNDP summary  
sent also to  
H. Hansen (WU)

3/9  
NK  
(They can't find  
copies they received earlier)

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1966 MAR -3 PM 1:17





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| <b>Document Date</b><br>02/22/1966                                                                   | <b>Document Type</b><br>Document |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Correspondents / Participants</b><br>UNDP (Special Fund) - Inter-Agency Consultative Board        |                                  |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Subject / Title</b><br>Recommendation of the Administrator - Bolivia                              |                                  |                                                                                                                                                                                                                                                                                                          |                                      |                             |
| <b>Exception(s)</b><br>Information Provided by Member Countries or Third Parties in Confidence       |                                  |                                                                                                                                                                                                                                                                                                          |                                      |                             |
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| <b>Withdrawn by</b><br>Salma Berrada                                                                 | <b>Date</b><br>May 23, 2025      |                                                                                                                                                                                                                                                                                                          |                                      |                             |



JUN 04 2025

DP/SF 310 BOL 15

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RESTRICTED  
25 February 1966UNITED NATIONS DEVELOPMENT PROGRAMME  
(SPECIAL FUND)Official Request from the Government of Bolivia  
for assistance in an Integrated Transport Survey

## SUMMARY\*

|                                                |                                                |
|------------------------------------------------|------------------------------------------------|
| Date Revised Request Received:                 | 11 January 1966                                |
| Proposed Duration:                             | one year                                       |
| Amount Requested from the UNDP (Special Fund): | US\$ 800,000                                   |
| Proposed Government Counterpart Contribution:  | US\$ 145,000                                   |
| Local Operating Costs:                         | US\$ 120,000                                   |
| Proposed Government Cooperating Agency:        | Ministry of Public Works<br>and Communications |

I. Background

1. As well as being a landlocked country, Bolivia presents many problems for the transport planner. The western third of the country encompasses the Andean highlands, while to the east and north lie the lowlands and then the tropical jungles of the Amazon basin. Most of the country's mineral production, which provides the bulk of its exports, is found in the mountain zone and is exported to ports in Chile via the western railway system, which has a total of 2,339 kilometres of track. There is also an eastern system, with 1,222 kilometres of track, which links Bolivia to Brazil and Argentina, but the two networks are disconnected, being separated at their nearest points by more than 200 kilometres of mountainous terrain.

2. As a consequence the only connexions between the eastern and western parts of the country are by road or air. There are at present over 13,000 kilometres of highways and roads under the jurisdiction of the National Highway Service, an international airport at La Paz equipped to handle jet aircraft and some 200 small airfields handling light cargo planes, many in areas served by no other form of transport. Of the thirty airlines operating in Bolivia, most are small private companies.

3. The Government also operates a small fleet of river craft, mainly in the north where there are a number of navigable rivers. They carry a certain amount of local freight and some foreign trade with Brazil, but road links between the rivers and population centres in the hinterland are few and of poor quality, while there are only very limited connexions with the rest of the country.

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\* PLEASE NOTE THAT THIS DOCUMENT IS A SUMMARY OF THE GOVERNMENT'S REQUEST AS SUBMITTED AND DOES NOT REPRESENT THE VIEWS OF THE UNDP (SPECIAL FUND) ON THE MERITS OF THE REQUEST.



4. In recent years, Bolivia has received considerable bilateral assistance in improving its road and rail links. Many main roads have been improved and considerable new road construction has taken place, particularly in the area around Santa Cruz in eastern Bolivia, where the Government is promoting settlement and increased agricultural production.

5. In 1962 a consultant firm, financed by bilateral aid, carried out surveys of the railways. Its principal recommendations, namely the administrative integration of most of the railway system and reduction of its personnel, have since been carried out, while the implementation of other recommendations, such as the administrative strengthening of the National Railway Company, is in the planning stage. The railways have been hard hit by the decrease in output of the mines, their major freight customers, and by a loss of passengers to the bus lines. Both roadbeds and rolling stock are generally antiquated and in poor repair, but under the present conditions of low density of traffic, they are able to meet the demand. However, any significant expansion in rail traffic will require sizable expenditures to improve facilities.

6. Rational planning of future improvements of the transport system will require not only that the development of each type of transport be examined in terms of its effect upon the others, to ensure complementarity and avoid duplication, but also that efforts be made to assess the probable growth trends in different parts of the country and different economic sectors, and the traffic likely to be generated by such growth. The Government has therefore requested the assistance of the UNDP (Special Fund) in conducting such studies.

## II. The Project

7. The purpose of the project, whose duration is approximately one year, would be to assist the Government of Bolivia in an integrated transport survey which would form the basis for Government planning of coordinated development of transportation in the country. The following short, medium and long-range activities would be included:

- (a) Forecasting growth in all economic sectors and recommending the corresponding transport to service such development and to review Government policy with respect to these goals.
- (b) The present and future growth and competition among various forms of transportation would be studied.
- (c) The adequacy of the entire transport network and prospects of securing higher factors of utilization of existing means of transportation would be investigated.
- (d) Traffic studies would be undertaken on all forms of transport.



- (e) A ten-year coordinated programme would be formulated indicating priorities of specific projects in each medium and preliminary estimates of their costs and benefits. Immediate investment programmes (1966-1970) would be outlined in as much detail as possible. The period 1971 to 1975 would programme operations in more general terms. Internal economic benefits to be derived from each of the projects included in this programme would be assessed.

8. Activities aimed at fulfilling immediate needs would also be performed:

- (a) General improvements at all levels in organization, administration and operations in all transport media would be recommended. In particular, the unfulfilled portion of the 1962 consultants' report described in paragraph five recommending services of four railway experts in accounting and statistics, administration, personnel and costs and tariffs would also be undertaken.

- (b) The regulation and coordination of railway, road, air and river transport through a coordinating department would be reviewed.

9. The UNDP (Special Fund) has been requested to render assistance consisting of experts in various fields of transportation, the provision of seventeen fellowships and small amounts of mobile, laboratory and field equipment.

10. Under its counterpart contribution, the Government is prepared to provide professional, technical and ancillary staff, fellowships, equipment, office facilities and services.



III. Financial Data

## A. Contribution Requested from the UNDP (Special Fund)

| <u>1. Experts</u>                                      | <u>m/mths</u> | <u>Cost in US\$</u> |
|--------------------------------------------------------|---------------|---------------------|
| 1 Project Manager                                      | 10            |                     |
| 1 General Economist                                    | 10            |                     |
| 1 Transportation Economist                             | 10            |                     |
| 1 Agricultural Economist                               | 10            |                     |
| 1 Highway Transport Expert                             | 10            |                     |
| 1 Highway Engineer                                     | 10            |                     |
| 1 Railway Expert                                       | 10            |                     |
| 1 Aviation Economist                                   | 10            |                     |
| 1 Inland Navigation Expert                             | 10            |                     |
| 1 Railway Accounting and Statistics<br>Expert          | 8             |                     |
| 1 Railway Administration and Personnel<br>Expert       | 8             |                     |
| 1 Cost Systems Expert                                  | 8             |                     |
| <u>1 Traffic and Tariff Expert</u>                     | <u>8</u>      |                     |
| 13 (10 m/y and 2 m/m at \$5,000 per m/m)               | 122           | US\$ 610,000        |
| <u>2. Fellowships (17)</u>                             |               | US\$ 50,000         |
| <u>3. Equipment</u>                                    |               |                     |
| Mobile and Field Equipment                             |               | US\$ 25,000         |
| <u>4. Contingencies</u>                                |               | <u>US\$ 115,000</u> |
| Total amount requested from the UNDP (Special Fund)    |               | US\$ 800,000        |
| <u>B. Proposed Government Counterpart Contribution</u> |               | US\$ 145,000        |

1. Personnel
2. Equipment
3. Services and facilities
4. Miscellaneous

C. Local Operating Costs

The Government proposes to pay an amount estimated at as a cash contribution towards local operating costs of the project. US\$ 120,000



- (e) A ten-year coordinated programme would be formulated indicating priorities of specific projects in each medium and preliminary estimates of their costs and benefits. Immediate investment programmes (1966-1970) would be outlined in as much detail as possible. The period 1971 to 1975 would programme operations in more general terms. Internal economic benefits to be derived from each of the projects included in this programme would be assessed.
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- 10. Under its counterpart contribution, the Government is prepared to provide professional, technical and ancillary staff, fellowships, equipment, office facilities and services.



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WBG ARCHIVES

DP/SF 310 BOL 15

Page 4

### III. Financial Data

#### A. Contribution Requested from the UNDP (Special Fund)

| <u>1. Experts</u>                                      | <u>m/mths</u> | <u>Cost in US\$</u> |
|--------------------------------------------------------|---------------|---------------------|
| 1 Project Manager                                      | 10            |                     |
| 1 General Economist                                    | 10            |                     |
| 1 Transportation Economist                             | 10            |                     |
| 1 Agricultural Economist                               | 10            |                     |
| 1 Highway Transport Expert                             | 10            |                     |
| 1 Highway Engineer                                     | 10            |                     |
| 1 Railway Expert                                       | 10            |                     |
| 1 Aviation Economist                                   | 10            |                     |
| 1 Inland Navigation Expert                             | 10            |                     |
| 1 Railway Accounting and Statistics<br>Expert          | 8             |                     |
| 1 Railway Administration and Personnel<br>Expert       | 8             |                     |
| 1 Cost Systems Expert                                  | 8             |                     |
| <u>1 Traffic and Tariff Expert</u>                     | <u>8</u>      |                     |
| 13 (10 m/y and 2 m/m at \$5,000 per m/m)               | 122           | US\$ 610,000        |
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| 3. <u>Equipment</u>                                    |               |                     |
| Mobile and Field Equipment                             |               | US\$ 25,000         |
| 4. <u>Contingencies</u>                                |               | <u>US\$ 115,000</u> |
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1. Personnel
2. Equipment
3. Services and facilities
4. Miscellaneous

#### C. Local Operating Costs

The Government proposes to pay an amount estimated at as a cash contribution towards local operating costs of the project. US\$ 120,000

FRANK K. VITA

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

24 February 1966

Dear Mr. Demuth,

Please refer to our letter of 9 February which attached, among other things, a copy of the reformulated request for an Integrated Transport Survey in Bolivia.

We recently received a few more copies of this application from ..... the Government and would like to pass an additional copy on to you (English summary and full text in Spanish). Copies of the summary of this request will follow shortly.

Yours sincerely,

Paul-Marc Henry  
Assistant Administrator  
and

Associate Director, Bureau of Operations and Programming

Mr. Richard Demuth  
Director of Development Services  
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D.C.

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Nothing Home

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Euphonia  
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1966 MAR -1 PM 1:01

## OFFICE MEMORANDUM

#34

TO: Western Hemisphere Department

DATE: February 16, 1966

FROM: Norbert Koenig

SUBJECT: Request to the UNDP (Special Fund) from the Government of Bolivia  
for Assistance in a study of the Transport Sector. (DP/SF/310/BOL 15)

Attached is a copy of a request received by the UNDP (Special Fund) on the above project. A copy of the confidential report to the Special Fund on this project, and the letter of the Special Fund asking for our comments on this project also is attached. The original report is being sent to Projects Department.

Please let me have at your early convenience a memorandum giving your Department's comments. Development Services Department will reply to the UNDP in the light of comments received. You will note that the Special Fund needs an early reply in order to complete its evaluation in time for the March meeting of the Inter-Agency Consultative Board.

Attachment



## OFFICE MEMORANDUM

TO: Projects Department

DATE: February 16, 1966

FROM: Norbert Koenig

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*Blank 3:*

Attachment

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

9 February 1966

Dear Mr. Demuth,

..... Please refer to our letter of 15 November on the request from  
..... the Government of Bolivia for assistance in the Railway Survey.  
The mission of Mr. Alexander Saitzoff as Consultant to the Adminis-  
trator has resulted in a reformulated request for an Integrated  
Transport Survey, a copy of which is enclosed along with a copy of  
Mr. Saitzoff's confidential report. I should appreciate your  
general comments on this request as well as your views on the follow-  
ing specific points:

1. Duration of the Project. Although the Government proposes a duration of one year, we are inclined to double this to 24 months so as to permit sufficient time for rendering technical guidance to the railway administration, making the overall economic study, and in particular, formulating an investment programme.
2. The timing of the investment programme in relation to the date of completion of the proposed economic study.
3. Number of Fellowships. The 17 fellowships proposed in the request appear to be rather heavy even for a two-year project, since the fellows would be absent from their posts during the project activities. We would be inclined to reduce this component to a maximum of 10 fellowships. Furthermore, in order to prevent the loss of these counterpart services during the project operations, we would consider awarding advance fellowships to be possibly financed under Technical Assistance Contingency Authority.
4. The desirability of providing all experts under Subcontract and the costs of such subcontracting.
5. Inclusion of an expert on research methodology. We are impressed with Mr. Saitzoff's point that the methods used in Bolivia for collecting and analyzing economic data as a basis for development planning need to be revised and improved.

Mr. Richard Demuth  
Director of Development Services  
International Bank for Reconstruction and Development  
1818 H Street, N. W.  
Washington 25, D. C.



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

- 2 -

REFERENCE:

6. "Contingency" provision in the proposed budget for the UNDP Contribution. This amount of \$115,000 was included by Mr. Saitzoff to provide for the possibility of increasing the duration of the project. However, if it is decided to extend the project to two years, this amount might then be included under expert costs or in the Subcontract component.
7. Need to include an investigation of the status of international agreements affecting the movement of traffic to external port facilities, including the study of alternate routes for such traffic as an essential part of an integrated transport survey.
8. The amount and nature of the proposed Government Counterpart Contribution.

An early reply on the above points would be most useful in view of the need to complete our evaluation in time for the March meeting of the Inter-Agency Consultative Board.

Yours sincerely,

  
Paul-Marc Henry  
Assistant Administrator  
and

Associate Director, Bureau of Operations and Programming

APPLICATION FOR FINANCIAL AID TO  
SPECIAL FUND OF THE UNITED NATIONS  
TO PERMIT THE PROJECTED NATIONALIZATION  
AND STUDY OF THE TRANSPORT SECTOR IN  
BOLIVIA

(Resumed version)

1) The Bolivian Government requests assistance from the United Nations Special Fund to undertake the studies leading to a coordinated transportation programme for Bolivia. These studies will form the basis for government's planning of future development of transportation in the country as well as for seeking foreign financing for transportation investment. To this end a group of foreign consultants will be retained to carry out the studies with the cooperation of Bolivian officials.

The main objectives of these studies are:

- a) to prepare a coordinated programme indicating the priorities of specific projects in each of the transportation sectors and preliminary estimates of their costs and benefits, for investment in railways, roads, aviation, and river transportation;
- b) to recommend improvements in organization, operation and administration in each sector;
- c) to consider and make recommendations for the regulation of rail, road, air and river transport.

2) Simultaneously with the work of the Study Group, four railway experts are required in the following fields: Accounting and Statistics; Administration and Personnel; Establishment of Costs; Tariffication. They will assist the Railways' management in improving administrative and operating practices and cooperate with the Study Group where it is deemed necessary.

3) Fellowships and professional training abroad are needed for selected members among the personnel presently employed in transportation.



|    |                                              |      |             |
|----|----------------------------------------------|------|-------------|
| 4) | The cost of the project is estimated at US\$ |      |             |
|    | UN Special Fund contribution                 | US\$ | 800.000.-   |
|    | Bolivian Government contribution             | "    | 265.400.-   |
|    | Total Project Cost                           | "    | 1.065.400.- |

### B. Background

#### 1. Description of the transports system in Bolivia.

This system comprises a network of railways, highways, aeronautics and river navigation. The railway transport system is the most important of the above in view of the large volume of cargo it carries, being next in importance the road and air transports.

The railroads system is composed of two independent networks: the western network (Andean territory), which covers a total of 2,339 kilometres, and the eastern branch which comprises a total of 1,222 kilometres; both networks have a uniform gauge of 1 metre wide each. The cargo carried by the Bolivian railways during 1963 is estimated at about 450 million tons. The railways network plays as important role as a liaison service with foreign countries as it carries almost the totality of cargoes resulting from imports and exports. The Bolivian railways have connections with similar networks in Argentina, Brazil, Peru and Chile, the largest volume of traffic being related to the ports of Arica and Antofagasta in Chile, and Mollendo and Iquitos in Peru.

The road transport system in Bolivia also covers just over 13,000 kilometres. Only a small percentage of this area meets the necessary requirements for profitable exploitation; the main part of the longitude of this network is composed of old roads (used in the past by carts and wheel waggon), which have been improved to meet later demands. About 5.000 kilometres of the roads can bear a permanent transit of vehicles, the remaining ones can only be used during the dry season.

The present river navigation network is inarticulate and inadequate and therefore cannot be considered a contributing factor to national economy. In fact, the departments of Pando, located in the north, and Beni, in the northeast, do not ac-



tually have any permanent roads and the access to the cities and villages located in these departments is effected by air transport. The greater part of the roads are concentrated in area representing approximately one third of the country's surface.

The system of public roads is divided into three categories in accordance with the importance of the roads, namely: fundamental (3,500 kilometres); complementary (2,440 kilometres) and accessory roads (7.250 kilometres).

It is estimated that 80 per cent of the cargo traffic transported by roads during 1963 (237 million tons-kilometres) took place in the fundamental and complementary networks; the remaining 20 per cent (64,5 million tons-kilometres) was done through the accessory roads.

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Very important services to the country is rendered by the air transport since it represents the only way of access to towns located in vast regions which practically do not have permanent roads.

The Lloyd Aereo Boliviano is the country's principal airline and is also the only one that provides itinerary services both in domestic and international flights. LAB carried 36,487 passenger -kilometres during 1962, i.e. 82 per cent of the total passenger-kilometres carried by all national air lines in domestic flights. In the same year 3,490 tons-kilometres of cargo were carried by LAB, i.e. 36 per cent of the cargo tonnage carried by national airlines in internal flights.

There are, furthermore, about thirty Bolivian airlines which render chartered flight services.

There are over two hundred landing fields in the country, the majority of which are owned by private companies. About 70% of them can be considered adequate for the landing of DC-3 aircraft. The important airports are those located in La Paz, Cochabamba, Santa Cruz and Trinidad; 60 per cent of the total plane movements during 1963 was controlled at those airports. The international airport of EL ALTO is the only one equipped for jet aircraft.



Bolivia has a river navigation network over 10,000 kilometres long. This fact is particularly important because the principal nautical routes are located in the northern and northeastern regions of the Bolivian territory which are little developed and also somewhat disassociated from the other regions of the country.

If a coordination of the existing transport network of the Altiplano (highlands) and Andean valleys with the river navigation network is effected, this will mean a decisive step towards national integration.

The principal river navigation routes are those of the Beni River and its tributaries; and the rivers Ichilo-Lamoré and Iténez and Paraguay. At present the navigation on them is difficult owing to such obstacles as palings, rapids and others. The navigable channels must be repaired and cleaned and it is, furthermore, necessary, to rehabilitate the shipyards and dockyards in order to ensure the permanent navigation of ships with a larger capacity than those used today which do not carry cargoes exceeding fifty tons.

2. Organizational Structure

Responsibility for the planning, operation and financing of transportation is divided among several ministries, departments and agencies of the Bolivian Government.

- a) Ministerio de Obras Públicas y Comunicaciones has primary responsibility for transportation matters. Its departments include:

Dirección General del Servicio Nacional de Ferrocarriles.

Empresa Nacional de Ferrocarriles.

Servicio Nacional de Caminos.

Dirección Nacional de Aeronáutica Civil.

Lloyd Aéreo Boliviano.

- b) Ministerio de Defensa Nacional includes:

Fuerza Fluvial y Lacustre.

- c) Ministerio de Planificación y Coordinación.
- d) Ministerio de Economía Nacional:  
(Only roads).
- e) Corporación Boliviana de Fomento:  
(Only roads).
- f) Ministerio de Hacienda y Estadística.

### C. The Project

#### I. Transportation Study

1. The Bolivian Government wishes to undertake studies leading to a coordinated transportation programme for Bolivia and to retain for this purpose a group of foreign consultants to work in cooperation with Bolivian officials. "The scope of the work will include, but is not limited to, the following:
2. Forecasts of growth in all economic sectors, government policy with respect to development of these sectors (particularly agriculture) and the volume of traffic which such development will generate.
3. The present and future growth of, and competition among the transportation sectors (railways; roads; aviation; river transportation).
4. Critical analysis of the adequacy of the transportation network and the prospects of securing higher factors of utilization of existing means of transportation.
5. General recommendations and improvements, at all levels, in the organization, administration, operation and maintenance of equipment for all means of transportation.
6. Recommendation for the regulation and coordination of rail, road, air and river transport through a special department which will be created for this purpose.
7. Identification, qualification and quantification of potential traffic generating sources.
8. Traffic forecasts in all sectors for the next 10 years.
9. Formulation of a 10-year coordinated programme, indicating the priorities of specific projects in each sector and preliminary estimates



I. Special Fund contribution

a) Consultants suggested for the Transportation Study

- 1 Technical Director, Chief of Mission
- 1 General Economist
- 1 Transportation Economist
- 1 Agricultural Economist

Highways

- 1 Highway transportation expert
- 1 Highway Engineer

Railways

- 1 Railway expert with managerial experience  
(to advise on the broader railway problems; besides railway experts under (b) ).

Airlines

- 1 Aviation Economist

Inland Navigation

- 1 Inland Navigation Specialist

Total: 9 consultants, 10-month each (including time  
to prepare report) at US\$ 5,000 per month:  
= US\$ 450,000

b) Railway experts

- 1 Accounting and Statistics specialist
- 1 Railway administration & Personnel organization specialist
- 1 Costing Systems Specialist
- 1 Traffic and Tariffs Specialist

Total: 4 experts, average 8 months each, at US\$ 5,000  
= US\$ 160,000

c) Fellowships (all sectors)

5 graduate engineer fellowships, 5 x 9 months

12 training for selected personnel, 12 x 9 months

Total = US\$ 50,000

d) Mobile and field equipment = US\$ 25,000

e) Contingencies = US\$ 115,000

Grand total . . . . 1 . . . . . = US\$ 800,000  
=====

II. Bolivian Government's counterpart contribution:

a) Personnel: Services of governmental employees, full-time, who will cooperate with the Study Group, as follows:

Ministry of Planning and Coordination:

|                                |                       |               |
|--------------------------------|-----------------------|---------------|
| 1 Engineer-Project Coordinator | US\$ 400.00 x 10 mos. | US\$ 4,000.00 |
| 1 Transport Engineer           | " 400.00 x 10 mos.    | " 4,000.00    |
| 1 Messenger                    | " 60.00 x 10 mos.     | " 600.00      |

National Roads Service ("Servicio Nacional de Caminos"):

|              |                    |            |
|--------------|--------------------|------------|
| 1 Engineer   | " 400.00 x 10 mos. | " 4,000.00 |
| 1 Economist  | " 400.00 x 10 mos. | " 4,000.00 |
| 1 Translator | " 140.00 x 10 mos. | " 1,400.00 |
| 1 Typist     | " 100.00 x 10 mos. | " 1,000.00 |
| 1 Driver     | " 80.00 x 10 mos.  | " 800.00   |

National Railways Enterprise ("Empresa Nacional de Ferrocarriles"):

|                                                                              |                    |             |
|------------------------------------------------------------------------------|--------------------|-------------|
| 1 Engineer                                                                   | " 400.00 x 10 mos. | " 4,000.00  |
| 8 Technicians for the following sections: accounting, personnel and business | " 200.00 x 10 mos. | " 16,000.00 |



|                   |                       |               |
|-------------------|-----------------------|---------------|
| 8 Auxiliary staff | US\$ 120.00 x 10 mos. | US\$ 9,600.00 |
| 4 Messengers      | " 60.00 x 10 mos.     | " 2,400.00    |
| 2 Drivers         | " 80.00 x 10 mos.     | " 1,600.00    |

General Civil Aviation Directorate:  
("Dirección General de Aeronáutica Civil"):

|              |                    |            |
|--------------|--------------------|------------|
| 1 Technician | " 400.00 x 10 mos. | " 4,000.00 |
|--------------|--------------------|------------|

Department of Hydrography and Navigation ("Departamento de Hidrografía y Navegación"):

|              |                    |            |
|--------------|--------------------|------------|
| 1 Technician | " 400.00 x 10 mos. | " 4,000.00 |
|--------------|--------------------|------------|

Total counterpart contribution

US\$ 61,400.00

b) Equipment, services and facilities:

Transport, office premises, public services, materials etc.

Total contribution in kind

US\$ 45,000.00

c) Fellowships:

Salaries payable to personnel that has been selected for fellowships, as follows:

5 Engineer at US\$ 400.00 x 9 months

US\$ 18,000.00

12 Officials at US\$ 200.00 x 9 months

" 21,000.00

Total contribution for fellowship holders

US\$ 39,000.00

d) Fifteen (15) per cent contribution:

Besides the contribution in personnel, equipment, services and facilities, the Bolivian Government will contribute to the project 15 per cent of the amount of US\$ 800,000.00

US\$ 120,000.00

TOTAL CONTRIBUTION OF THE GOVERNMENT OF BOLIVIA

US\$ 265,400.00



# Record Removal Notice

|                                                                                                                               |                                |                                                                                                                                                                            |  |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>File Title</b><br>Bolivia - Integrated Transport Study - Survey Numbers - DP/SF BOL 15 - Volume 1                          |                                | <b>Barcode No.</b><br><br>1011647                                                                                                                                          |  |
| <b>Document Date</b><br>02/22/1966                                                                                            | <b>Document Type</b><br>Report |                                                                                                                                                                            |  |
| <b>Correspondents / Participants</b><br>From: A. M. Saitsoff, Consultant                                                      |                                |                                                                                                                                                                            |  |
| <b>Subject / Title</b><br>Report to the Managing Director of the Special Fund<br>Bolivia: Request for Special Fund Assistance |                                |                                                                                                                                                                            |  |
| <b>Exception(s)</b><br>Information Provided by Member Countries or Third Parties in Confidence                                |                                |                                                                                                                                                                            |  |
| <b>Additional Comments</b>                                                                                                    |                                | 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><b>Withdrawn by</b><br/>Salma Berrada</td><td><b>Date</b><br/>May 23, 2025</td></tr></table>                                                     |  |
| <b>Withdrawn by</b><br>Salma Berrada                                                                                          | <b>Date</b><br>May 23, 2025    |                                                                                                                                                                            |  |



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January 7, 1966

A. David Knox

BOLIVIA - Transportation

Mr. Lapin of AID called me on January 7 to ask about the present position regarding the proposed transport study in Bolivia. I told him that a consultant from the U.N. Special Fund had visited Bolivia last month and that we had been told by the Bolivian Embassy that the Government expected to submit an application based on the consultant's recommendations to the Special Fund for assistance with a general transportation study. This would be in addition to the application already submitted for five management consultants to give short term help in the operation of the railways and the execution of the recommendations of the 1962 Sofrerail report. We understood from the Special Fund that it was hoped to consider both of these applications at the meeting of the Fund's Council in June 1966.

Mr. Lapin said that he was visiting Bolivia at the request of the AID mission in La Paz to advise on particular projects, especially in transport. It would be extremely useful to have the results of a general transportation study in deciding on whether to go ahead with various projects, particularly some of the road construction projects which were now being considered by AID. He wondered whether there was any way in which it might be possible to accelerate the transport study. I replied that I saw no prospect of its being considered by the Special Fund before June and we were not certain that it could be considered even then. Thus it was quite clear that no transport study would begin before late 1966 at the earliest.

Mr. Lapin reiterated his anxiety that the study should be started earlier but gave no indication of how he thought this might be achieved. I told him that we shared his views about the importance of this study but that we thought the management consultants for the railways were at least as urgent and possibly even more urgent. The problem here was of a study which had been completed and of which the recommendations had been partially executed. But the Bolivians would not be able to go on carrying out the recommendations until they had some assistance with management. We hoped that the Special Fund would provide this assistance in conjunction with a general transport study but we were not certain whether the Special Fund would be prepared to provide management consultants completely separate from a general transport study.

cc: Messrs. Loven, <sup>✓</sup>Riley, Reamy, Dambski, Hansen

ADKnox/mv

Files

December 15, 1965

A. David Knox

BOLIVIA - Proposed Transport Survey

Mr. Ormachea of the Bolivian Embassy called me today to say that he had been informed by his Government that the discussions with Mr. Saitzoff on a general transport survey had been completed. The Government hoped to submit an application for assistance with such a survey to the UN Special Fund by the middle of January. Mr. Ormachea said that a copy of the application would be sent to us.

cc: Messrs. Main, Loven, Riley, Keltie, Reamy, Sassoon

ADKnox/mv

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PINK?



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

November 19, 1965

1. ~~Mr. Loven~~

2. Mr. Riley ✓

Re: Bolivian Transport

I attach a translation of a document received from the Bolivian Embassy relating to a general transport study. You will see, however, that this document is nothing more than a brief description of the present transportation system in Bolivia. It is indeed described in one of the attached letters as "the preliminary informative part of the application for experts assistance for the overall Bolivian transport study".

According to this letter, the UN is being requested to send an expert in transportation to draw up a report with the Commission responsible for the present document. Presumably the Bolivian idea is that the UN expert will help them to draw up the terms of reference for a study.

May I have your comments on how we should proceed in this matter?

A. D. Knox

Mr. Knox

Room 584

This is a draft translation;  
it has been checked by translator  
only, but not by reviser.  
Translation Section  
Archives Division, LBRD

REPUBLIC OF BOLIVIA

MINISTRY OF PUBLIC WORKS AND COMMUNICATIONS

La Paz, October 25, 1965

Ref.: E-1-2423

Urgent

Airmail

Lt.Col. Julio Sanjinés Goytia,  
Bolivian Ambassador to the United States,  
Washington.

Dear Mr. Ambassador,

I have pleasure in enclosing a copy of the document "DESCRIPTION OF BOLIVIA'S TRANSPORTATION SYSTEMS".

This Ministry has today sent the original of this document to the Bolivian Foreign Office so that it may be transmitted without delay to the United Nations Special Fund for consideration and appropriate action.

Yours very truly,

(signature)

Col. Sigfredo Montero Velasco  
Minister of Public Works and Communications

Stamp:  
Ministry of Public Works and Communications,  
La Paz, Bolivia.

TRANSLATION SECTION 1650/65

Translated From: 11/17/65 Spanish By: GAG/jd



REPUBLIC OF BOLIVIA

MINISTRY OF PUBLIC WORKS AND COMMUNICATIONS

La Paz, October 25, 1965

Ref.: M-1-2422

Urgent

Col. Joaquin Zenteno Anaya,  
Minister for Foreign Affairs and Worship,  
La Paz.

Dear Minister,

I enclose for transmission by the Foreign Office to the United Nations Special Fund the preliminary informative part of the application for experts assistance for the over-all Bolivian Transportation Study, drawn up by the Commission composed of representatives of Ferrocarriles (Railroads), Lloyd Aéreo Boliviano (Airline), Fuerza Fluvial y Lacustre (River and Coastal Transportation Force), and Planeamiento y Coordinación (Planning and Coordination).

I urgently request the cooperation of a United Nations expert in general transportation to draw up a report jointly with the above-mentioned Commission.

These proceedings are quite independent of the specific application for the assistance of railroads experts at present under active negotiation.

Col. Sigfredo Montero Velasco  
Minister of Public Works and Communications



## DESCRIPTION OF BOLIVIA'S TRANSPORTATION SYSTEMS

### I. RAILROADS.

#### 1. Present Situation

The Bolivian railroads network comprises the Eastern System and the Western System.

##### (a) The Western System

The Western or Andean System has a total length of 2,358 km: the main line of 1,252 km and 7 branch lines totalling 1,106 km.

This system serves the south-western part of Bolivia, where almost the whole of the country's export activities are concentrated. Of the railroads that it uses for the transportation of its export and import commodities, four link it with the rest of the world through ports on the Pacific (Antofagasta, Africa, Mollendo, and Matarani) and on the Atlantic (Rosario and Buenos Aires). Over the period 1958-1963, the volume of Bolivia's import and export traffic carried by the railroads that link it with the Pacific ports totalled about 334,000 tons a year (exports 40%, imports 60%). The greater part of the cargo received and despatched through those ports consists of consignments in excess of 500 tons which are carried for an average distance of under 850 km (about two fifths of this distance within Bolivia itself).

Over the period 1960-1963, the La Paz-Antofagasta Railway carried 78% of the total freight carried by the Andean System.

Revenue from the transportation of freight averaged US\$0.023 per ton-km (US\$0.022 on main line sections and US\$0.027 on branch line sections). The main lines earn 75% of the total revenue of the Andean System.

The failure to carry out timely replacement of the rolling stock, improvement of the infrastructure, overhaul of the traction equipment and replacement of the locomotives (68.4% of which have already run a total of over a million km), the shortage of skilled men for the carrying out of all the repair and maintenance tasks, the dispersion of resources in the branches of the privately-owned and publicly-owned lines, the dispersion of store premises, the uncontrolled increase in superfluous staff, and similar deficiencies, resulted in the accumulation of a chronic operating deficit. This in turn led to the formation of the Empresa Nacional de Ferrocarriles (E.N.L.F.) - National Railroads Corporation - which has been operating since November 1964 and has already achieved substantial results with respect to improvement of the organizational and administrative structure and rationalization of the operation of the rail service.

##### (b) The Eastern System

This comprises the Corumbá-Santa Cruz and the Yacuiba-Santa Cruz railroads.



The Corumbá-Santa Cruz Railroad was built under an agreement concluded between the Governments of Bolivia and Brazil on February 25, 1938. It links the city of Santa Cruz with the Brazilian port of Corumbá, which is located on the River Paraguay and is the terminus of the Brazilian railroads that connect it with the city of San Pablo and with the Atlantic port of Santos. This is a 1-meter gauge railroad with a length of 651 km. Supplementary works are at present being carried out in order to fit it to provide regular service.

The Yacuiba-Santa Cruz Railroad was built under an agreement concluded between the Bolivian and Argentine Governments on February 10, 1941. It links the city of Santa Cruz with the Argentine town of Pocitos, which is the terminus of the Belgrano Railroad. This is a 1-meter gauge railroad with a total length of 535 km and a 40-km branch from Boyuiba to Cuevo. It is at present providing temporary service; it is expected that it will play an important role in the development of the western provinces of the Department of Santa Cruz and also of the provinces of Siles and Calvo de Chuquisaca, because it will link these producing areas with the market of northern Argentina. It is estimated that over the ten-year period 1965-1975 it will bring in a flow of freight (made up chiefly of forestry, agricultural and stockfarming products) of about 120,000 tons a year, with a value of US\$10 million.



## II. ROADS

### 1. Present Situation

Bolivia's roads network has a total length of over 13,000 km. It consists of three systems - the primary system, the secondary system and the feeder-road system.

The primary system consists almost entirely of roads linking department capitals, in which, with few exceptions, the economic activity of the department concerned is carried on.

The roads of the secondary system serve mainly to link important areas of production with their principal centers of consumption.

Finally, the local feeder-roads system includes all the roads that feed the roads of the primary and secondary systems. Also classed in this group are the roads that link areas with a relatively low volume of production with department capitals.

2. In 1964, the following lengths were maintained:

| <u>System</u> | <u>Length (km)</u> | <u>%</u>      |
|---------------|--------------------|---------------|
| Primary       | 3,524.7            | 26.70         |
| Secondary     | 2,436.7            | 18.40         |
| Feeder-roads  | <u>7,248.0</u>     | <u>54.90</u>  |
| Total:        | <u>13,209.4</u>    | <u>100.00</u> |

For 1963, the traffic carried is estimated at 800,000 tons (average distance carried: 296 km) for the primary and secondary systems, and at 1,240,000 tons (average distance travelled 52 km) for the feeder-roads system.

The following is the composition of the total number of vehicles, excluding those belonging to the armed forces, the internal security organizations, diplomatic missions and international agencies:

|                     |        |
|---------------------|--------|
| Passenger vehicles: | 13,216 |
| Freight vehicles:   | 11,319 |

Of the total number of vehicles (24,535), 12,609 were used to carry passengers and freight.

### 3. Progress achieved in road works during the period 1960-1964

One of the most serious obstacles to the determination of the investment requirements of this sector has been the lack of studies. With the aim of eliminating this obstacle, a special effort was made during the two-year period 1963-1964 and very striking results achieved: of the total of 4,585 km studied over the period 1960-1964, 4,066 km were studied during the two years 1963-1964.



The majority of the studies relate to roads that link the land transportation system of the Altiplano and the central region of the country with Bolivia's two most important river arteries: the Beni and the Ichilo-Mamoré.

4. Improvement works

These works, comprising improvements of various kinds to the physical characteristics of the existing network, extended to a total of 1,846 km in the period 1960-1964, an average of 370 km a year.

5. Construction of new roads

The works carried out under this heading will (sic) make it possible to expand the system by 753 km of roads during the period 1960-1964, analyzed as follows: primary system 87 km (Caravani-Santa Ana and Guayaramerín-Riberalta); secondary system 202 km (Licoma-Cananima, Oruro-Anzaldo, Yapacaní-Puerto Grether and San José-San Ignacio de Levasco); and feeder roads 464 km.

The new feeder roads constructed include roads in support of land settlement programs (Santa Ana-Taipiplaya, San Pedro-Incahuara and Santa Ana-Covendo) and also roads to remedy the isolation of relatively important agricultural and stockfarming areas (Acheral-Campo Pajoso, Arani-Mizque, etc.).

6. Maintenance

This work has been directed mainly to ensuring the maintenance of fast traffic on the roads of the primary system. The maintenance of the secondary and feeder roads systems has continued to be subject to the limitations imposed by the inadequacy of the available resources.

The Supreme Decree of February 21, 1964 is of special significance in this connection since it provides for the centralization of responsibility for the carrying out of roads works into a single entity (the Servicio Nacional de Caminos - National Roads Service) and will thereby facilitate the application of uniform technical standards in road construction and increased efficiency in the use of funds.



### III. AIR TRANSPORTATION

#### 1. Present situation

The services furnished by the air transportation enterprises are of two types: international flights and internal flights. International services are provided by the Bolivian Company Lloyd Aéreo Boliviano, and the international airlines Panagra, Braniff, Cruzeiro do Sul and Aerelinas Peruanas. Domestic services are provided by more than 30 companies, of which only two (Transportes Aéreos Militares and Lloyd Aéreo Boliviano) fly scheduled service; the others provide charter service, i.e. service to any point in the country upon demand and without regard to predetermined routes and timetables.

The establishment of private airlines has steadily reduced the number of passenger-kms flown by Lloyd Aéreo Boliviano; in 1962, its over-all coefficient of utilization of capacity averaged only 50.6% for a total of 87.9 million passenger-kms offered.

On the other hand, the charter companies operating between La Paz and the north and northeast of Bolivia operated with a coefficient of utilization in excess of 0.90. The coefficient of utilization for the remaining lines is below 0.70, owing to the fact that they also serve parts of the central and eastern regions of the country.

In the same year (1962), three companies -- Lloyd Aéreo Boliviano, Compañía Boliviana de Aviación and Transportes Aéreos (of the Corporación Boliviana de Fomento - Bolivian Development Corporation) handled almost 80% of the freight carried by air.

In June of this year the aircraft of the CBF were transferred to Lloyd Aéreo Boliviano.

In 1963, the employees of the domestic airlines totalled 1,528 of which Lloyd Aéreo accounted for 967 (63.3%) and the rest of 561 (36.7%).

#### 2. Progress achieved during the period 1960-1964

Beginning in 1962, the studies relating to the air transportation sector were resumed. The most important of these studies were those relating to:

- Construction of the new runway of the airport (El Alto), including the redesign of the terminal building and the installation in that building of a Regional Aeronautical Telecommunications Center.
- The carrying out of improvements of the runways of the Cochabamba, Santa Cruz, Trinidad, Sucre, Tarija and Yacuiba airports.

The major construction and improvement works carried out were as follows:

- The construction of a new runway for the El Alto airport (4,000 x 150 meters), requiring a total investment in the period 1962-1964 of US\$4,188,000.



- The construction of the Santa Ana de Huachi runway (1,250 x 50 meters) located in the basin of the Upper Beni river, at a cost of US\$158,900.

The following first-stage improvement works were carried out:

- Cochabamba airport: 670 meters of runway 4-22, plus paving of its entire length (2,500 x 46 meters);
- Santa Cruz airport: repair of the original runway, plus lengthening by 310 meters to provide a landing strip of 1,830 x 40 meters;
- Trinidad: the runway of the airport was lengthened to 2,000 meters.

### 3. Operations

The services of North Central Airlines were engaged for a period of two years (October 1963 to October 1965) to advise Lloyd Aéreo Boliviano, the country's main airline. The total cost of these services is US\$825,000, of which US\$800,000 has been provided by US-AID and US\$25,000 by Lloyd Aéreo Boliviano.

### 4. Conclusions

The works carried out on the runways of La Paz, Cochabamba, Santa Cruz and Trinidad have resulted in a substantial improvement in the conditions of safety of landing and take-off of these airports, which in 1963 handled 60% of the total aircraft traffic.

The bad state in some cases, and the complete absence in others, of navigational aid installations seriously jeopardizes the safety of aeronautical operations (out of a total of about 22,000 flights made in 1962, 16 serious accidents occurred, most of them attributable to deficient air navigational aids).

Insufficient priority has been assigned in the last two years to the awarding of fellowships for technicians. As a result, the program of training of highly qualified technicians appears to be inadequate to meet the ever growing needs.

Even though the numbers of passengers and the volumes of freight carried in Bolivia are relatively low, the existence of the present large number of companies is both undesirable and unjustified; the situation is made even worse by the fact that with the exception of Transporte Aéreos Militares and Lloyd Aéreo Boliviano, none of them operate to fixed timetables.



#### IV. RIVER TRANSPORTATION

##### 1. Present Situation

Over more than half the territory of Bolivia, the navigable rivers constitute the natural communications network, with a total length of 10,800 km, traditionally used by the inhabitants of the northern parts of the departments of La Paz and Santa Cruz and the whole of the departments of Beni and Pando. Two of these rivers, the Ichilo-Mamoré and the Beni, constitute the main arteries of the system.

During the 19th century, the trade in rubber led to the population of the banks of these two arteries and their tributaries. The towns were served by a heavy traffic in steam and oar propelled shipping during the heyday of rubber and a period of national economic prosperity. After 1913, when the Asian rubber plantations began to produce, some of the inhabitants went into cattle-raising, chestnut cultivation or the leather industry, while others emigrated to Brazil with a resulting shift in the center of gravity of Bolivia's entire export and import trade towards the Brazilian markets. Shipping declined and the rivers became blocked with fallen trees and changed their courses considerably. The yards set up by the rubber firms and the Army for the repair and replacement of vessels are now in a state of dilapidation.

The transportation and land settlement programs provide for the continuation during the present 2-year period of the La Paz-Beni highway to Puerto Salinas and of the Cochabamba-Villa Tunari highway to Puerto Patino on the river Isiboro and to Puerto Villarroel on the river Ichilo, as land links with the two rivers. The highway from Yapacaní to Puerto Grether on the Ichilo, now under construction, will form part of the link between Santa Cruz and the river Beni.

It is noteworthy that over the period 1960-1963 the connection of the highway Cochabamba-Villa Tunari-Puerto San Francisco on the Chipiriri, a tributary of the Isiboro-Sécure-Mamoré, resulted in the transportation from the interior of the country to the Beni of the following products: cement, sugar, flour, fuels in general, tools, ironwork and cloth, previously bought almost entirely on the Brazilian markets, at a substantial saving in cost (about 40% at Trinidad and about 30% at Guayaramerín). There were sent out of the region via river-land communications hides, rubber, chestnuts, cocoa, wood and gums, which prior to 1960 were transported by air at considerably higher freight rates. Lloyd Aéreos has even transferred its incoming shipments of aircraft spirit to these routes. At present, as a result of the return of the Upper Chapare to its old bed, the Chipiriri has lost its traffic to the Chapara, which is one of the rivers most seriously obstructed by embedded logs and impacted debris and is less navigable than the Chipiriri-Upper Chapare.

The Beni waterway is used only for the local trade of the area. Because of the lack of a land link with the great commercial center of La Paz, the center of supply of the needs of the towns of this river artery is Puerto Maldonado del Madre de Dios in Peru.

Because of the lack of rehabilitation of the river Orthon-Tahuamanu, the whole of the department of Pando depends on the commerce and the economy of Brazil.



Although air transportation supplies a few needs, mainly the transportation of passengers, it retains the national economic status quo and lacks the capacity to avert the constantly growing economic dependency on Brazil and Peru. There is therefore an urgent need to clean and utilize the river waterways and to accelerate the construction of the highways linking Cochabamba with the Isiboro and the Ichilo, and La Paz with the Beni, in order to make possible the implementation of an economic policy as part of an urgent over-all national policy in that half of the country.

## 2. River Fleet

Thanks to private enterprise and to the Armed Forces, the river fleet is adequate to meet the present demand and to cover a substantial future growth.

Without counting the numerous privately-used craft, the river cargo fleet registered in 1964 was as follows:

| <u>Port "Capitania" *</u> | <u>No. of vessels</u> | <u>Net capacity (tons)</u> |
|---------------------------|-----------------------|----------------------------|
| Loma Suarez (Trinidad)    | 32                    | 614                        |
| Sucre (Guayaramerin)      | 21                    | 3,125                      |
| Riberalta                 | 24                    | 6,570                      |
| Total:                    | 77                    | 10,309                     |

N.B.: These registration figures relate only to the two main arteries (the Mamoré and the Beni).

## 3. Navigability of the rivers

Both the traditional arteries of river transportation, although they have never up to now been the subject of a single cleaning or control project, present definitely good conditions of navigability:

| <u>River</u>      | <u>Minimum draft (meters)</u> | <u>Speed of current (m/sec)</u> | <u>Average width (meters)</u> | <u>Minimum radius (meters)</u> |
|-------------------|-------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Beni              | 0.70                          | 0.88                            | 400                           | 300                            |
| Madre de Dios     | 0.70                          | 0.75                            | 300                           | 200                            |
| Ichilo            | 1.00                          | 0.77                            | 300                           | 250                            |
| Chipiriri-Isiboro | 1.00                          | 0.84                            | 150                           | 80                             |
| Isiboro-Sécure    | 2.20                          | 0.72                            | 265                           | 100                            |
| Ibare             | 0.50                          | -                               | 60                            | 50                             |
| Yacuma            | 1.00                          | -                               | 100                           | 60                             |
| Mamoré            | 1.50                          | 0.50                            | 450                           | 250                            |

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\* T.N.: A "Capitania" is the jurisdiction of a harbormaster.



4. Embedded trunks and debris jams

During the period of the floods the waters undermine the steep banks of the river and pull them down, together with the trees that grow on them. The trees drive into the bed at the point where they fall, or else are dragged by the current to low places, where they become snagged by the crowns and together with the general debris form veritable cliffs. The oldest of these trees are driven into the bed of the river bed and stick out as isolated vertical or slightly inclined "piles" which in the course of time become enormous sharp-pointed "punches". A large percentage of the trees, light logs and plant debris goes to swell the log and debris jams running out from the shores of the river. As these grow in volume year by year they form barriers or reefs from which the current is diverted to the opposite bank of the river, where it causes landslides and sometimes the formation of new meanders that either increase the length of the river's course or lead to a widening of its bed. Most of these log barriers are found at sharp bends on the river.

With the sole exception of the trunks that are pulled out when a vessel is trapped between them, the rivers have never once been cleared since the 19th century.

5. Ports

With the exception of Puerto Sucre (Guayaramerín), which has cement steps, the so-called ports on the Mamoré and its tributaries are mere landing wharves without any facilities or equipment, such as a commercial harbor, berthing, loading and unloading wharves, loading cranes, decauville cars, parking space for vehicles, sheds for the storage, marshalling and consignment of cargo, cattle pens, fuel tanks, etc.etc.

The same applies to the river Beni, where the only facilities are the cement steps and decauville railway of the Seidler Company, and the ship repair "canal" of Astillero Fluvial (River Shipyard).

These conditions, together with the problems caused by the logs and debris barriers, increase the time taken by the vessels and result in deterioration of the goods, particularly meat, and therefore in inflation of costs.

6. Speed of the vessels

The minimum speeds of the vessels are at present as follows: upstream, 7 kms/hr; downstream, 10 kmw/hr. These speeds will be increased considerably when the rivers are cleared.

7. Costs per ton/km

These vary from US\$0.03 - 0.05 for the two basins. The costs on the Beni basin are higher because of the present low traffic on the principal artery. For the products of the region the freight costs are much lower.



8. Progress achieved during the period 1960-1964

In 1960, a set of instruments, including echo-sounding equipment for the fitting out of vessels for hydrographic studies was received from the United Nations. With this equipment, the Department of Hydrography and Navigation was set up in 1962 as an agency of the National Roads Council; it was incorporated into the Fuerza Fluvial y Lacustre (River and Coastal Waterways Force) in 1964. This agency has its own budget and in the course of a little over two years has prepared complete hydrographic and navigability studies of the rivers Ichilo-Mamoré, Chipiriri-Isiboro-Sécure-Mamoré, Beni, Madre de Dios and Orthon, and has started studies of the rivers Iténes and Paraguay.

The specific study for the construction of a Bolivian port on the river Paraguay and the dertermination of the physical conditions of navigation from that port will be started in November of this year.

For this purpose, steps are being taken to set up a Mixed Technical Commission composed of experts of the National Department of Hydrography and Navigation of the River and Coastal Waterways Force of Bolivia, and the Naval Hydrography Service of the Argentine Secretariat of the Navy.

The River and Coastal Waterways Force was created in 1961 by the Organic Law of the Armed Forces. It is responsable for maintaining the navigable waterways, repairing and building vessels in its shipyards and facilitating the development of shipping. It maintains a school of navigation at Riberalta, trains officials and skilled operators abroad and has added a fleet comprising a launch and two tugs to each of the Mamoré and Beni fleets that have to carry traffic in accordance with a fixed timetable. It is also to rebuild its shipyards at Riberalta and Cachuela Esperanza and build complete ports.

GPO/gov.

*mf*

November 22, 1965

Mr. Hector Ormachea  
Embassy of Bolivia  
Suite B 1250  
3636 16th Street, N.W.  
Washington, D.C.

Dear Mr. Ormachea:

I return the cable which you so kindly sent to me. As I mentioned to you on the telephone on November 19, it is our understanding that Mr. Saitzoff is now in Bolivia to advise the Government on behalf of the UN Special Fund. I should imagine that this meets the point in the cable in which your Government referred to the fact that it was seeking the aid of an expert from the United Nations in order to draw up the plan for a general transport study.

We have had some discussions with Mr. Saitzoff and I would suggest that the appropriate action is now to await the results of his visit to Bolivia. I hope that he will be able to assist your Government in preparing a satisfactory program for a general transport study.

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Enc.

✓  
cc: Messrs. Loven, Riley, Keltie, Sassoon

ADKnox/mv



Files

November 19, 1965

A. David Knox

BOLIVIA - Transport

After discussing the matter with Mr. Loven, I telephoned Mr. Ormachea of the Bolivian Embassy, who had been asking what reactions we had to the documents he had sent us recently on Bolivian transport. I told Mr. Ormachea that Mr. Seitzoff would be visiting Bolivia on behalf of the UN Special Fund to assist the Bolivian authorities in preparing an application to the Fund. We had met Mr. Seitzoff and discussed with him our general ideas on a transport survey. We thus thought the best thing to do now would be to await the outcome of Mr. Seitzoff's discussions in Bolivia. Mr. Ormachea agreed.

cc: Messrs. Loven  
Riley ✓  
Sassoon  
Keltie

ADKnox/mv

SPECIAL FUND



FONDS SPECIAL

UNITED NATIONS  
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS: SPECFUND NEW YORK

REFERENCE: SF 310 BOL 15  
SF 214 BOL 15

15 November 1965

Dear Mr. Demuth,

This is to inform you that the Special Fund has recruited Mr. Alexander Saitzoff, to act as Consultant to the Managing Director in reviewing the request from the Government of Bolivia to the Special Fund for assistance in a Railway Survey.

We understand that Mr. Saitzoff has already held preliminary discussions with Mr. Vincent Riley, and generally will remain in close contact with the Bank on various matters regarding this request. I should like to thank you for all of the assistance which you have rendered Mr. Saitzoff vis-a-vis this request.

Mr. Saitzoff will depart from New York on 20 November for approximately three weeks. This duration will enable him to include in his study the country in general, and, if appropriate, to assist the Government in preparing a broader based economic and technical study of the nation's priority transport problems.

Yours sincerely,

  
Paul-Marc Henry  
Associate Director  
Bureau of Operations

Mr. Richard Demuth  
Director of Development Services  
International Bank for Reconstruction and Development  
1818 H Street, N. W.  
Washington 25, D. C.

cc: Mr. Knox - Western Hem. Dept  
Mr. Main/Loven - Projects Dept.  
Original to files 11/19/65



Form No. 75  
(2-30)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

November 10, 1965

NAME

ROOM NO.

*RF*  
Mr. Reamy

722

Mr. Keltie *mk*

767

Mr. Riley

842

*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

I attach a copy of a cable received by the Bolivian Embassy on the subject of a further application to the UN Special Fund for assistance for Bolivian transport. The Embassy also sent the detailed submission which is being made to the UN and I am having this translated.

From

A. D. Knox *ADK*

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FM RELACIONES LA PAZ

TO ENBOLIVIA WASHDC

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BT

UNCLAS 229.- SUYO 385.- COMISION COMPUESTA REPRESENTANTES FERROCARRILES  
SERVICIO CAXINOS FUERZA FLUVIAL CON ASISTENCIA SENOR PASCOE REPRESENTANTE  
NACIONES UNIDAS CONTINUA ESTUDIO PROBLEMA TRANSPORTES STOP FINES  
SEMANAPROXIMO SERA REDACTADO DOCUMENTO PARA ELEVAR A CONSIDERACION  
DE FONDO ESPECIAL NACIONES UNIDAS Y BANCO MUNDIAL STOP INDEPENDIENTE-  
MENTE SOLICITUD GENERAL DEBE SEGUIR TRAMITE SOLICITUD PRESENTADA POR  
EMPRESA NACIONAL FERROCARRILES.

RELACIONES

BT



*6m flb*  
*Bol. Rwy.*

November 10, 1965

Mr. Hector Ormachea  
Embassy of Bolivia  
Suite B 1250  
3636 16th Street, N.W.  
Washington, D.C.

Dear Mr. Ormachea:

I return the copy of the cable which you kindly let me have last week. With regard to the copy of the detailed application to the Special Fund which you also sent to me, I have found it necessary to arrange for this to be translated. I hope therefore that it is in order for me to retain your copy somewhat longer.

With kind regards,

Sincerely yours,

A. David Knox  
Western Hemisphere Department

Enc.

cc: Messrs. Reamy, Loven, Keltie, Riley, Sassoon ✓

ADKnox/nw

Files

November 3, 1965

Vincent J. Riley

Bolivian Railways

Following a discussion yesterday with Mr. Knox of the Western Hemisphere Department, I called Marcel Schwob of the United Nations Special Fund to ask the status of the present request to the Special Fund from the Bolivian Government for assistance to the railways. Mr. Schwob said that it was definitely their intention to include in the June Governing Council Program a project of assistance to the Bolivian railways. At present, this would have to be based on the limited management assistance that the Government has already requested. This, however, was a minimum. It was hoped that in the near future this would be expanded to include some of the general transportation review program that had previously been discussed by the Bank, the Special Fund, and the Bolivian Government.

One approach toward broadening the request would be to send a Consultant to the Managing Director to Bolivia. The Special Fund hoped to do this, but as yet had not found the appropriate expert to undertake the task.

I then advised Mr. Schwob that we had recently received word through the Bolivian Embassy that a revised request was enroute to the Special Fund. Presumably, this request included the more broadly defined general transportation study that we previously had heard was being prepared by the Government. I did not indicate to Mr. Schwob that a copy of this request, in Spanish, had been received here from the Embassy; but I did indicate that we expected to receive one for information.

I advised Mr. Knox of this discussion, and he said that he would advise AID of Special Fund's present definite intention of including assistance to the Bolivian railways in its June Program.

VJRiley:fph

cc: Mr. Knox - Western Hem. Dept.  
Mr. Loven - Projects Dept.



FORM NO. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

October 27, 1965

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. D. Knox

Files

for Feb  
Bolivia Ray  
October 27, 1965

A. David Knox

BOLIVIA - Discussion with US/AID Officials

Mr. Irving Tragen, accompanied by Messrs. Peterson, Heyman, Blumgart, and Hodgins, visited IDA on October 20, 1965. They were seen by Messrs. Sear and Knox. The main purpose of the meeting was to discuss certain problems concerning the power program in Bolivia but Mr. Tragen said he would like to begin by relating briefly two other matters pertaining to the railways and to agriculture.

On the railways he asked what was the present status of the Bolivian application to the Special Fund for assistance in providing management consultants. I replied that the information we had received from New York suggested that the Special Fund might reject this application. We had recently discussed the matter with Col. Vargas Gusman, President of CNF. He had explained that he was about to visit New York and would discuss the matter with Special Fund officials in an effort to obtain a firm decision. He had promised to inform us of the outcome of his conversations but I had learned only that morning that he had changed his plans and returned directly to La Paz instead of by way of Washington. Mr. Tragen explained that if management consultants were not provided this would create considerable difficulties for his mission, which had advocated continuing assistance to the Bolivian railways for current operating expenditure on the assumption that assistance with management would be provided by some other agency. I replied that we were well aware of the serious situation which would arise if the Special Fund rejected the Bolivian application. If this happened we should have to consider our own position once again. With respect to the idea that the Bolivians should also have a general transport survey, I explained that we had not been emphasizing this in our recent dealings with the Special Fund. This did not mean that we were not anxious that such a survey be carried out. Our position was a purely tactical one since we were afraid that, if we gave too much emphasis to this survey at the present moment, the Special Fund might defer consideration of the Bolivian application for management consultants until it was supplemented by an application for help with a general transport survey.

On agriculture, Mr. Tragen asked what progress was being made with the report of the FAO Project Identification Mission. I replied that we were still awaiting the mission report. Until I had had an opportunity to study that I would not be in a position to say what we would do in this connection. Mr. Tragen mentioned that he had heard in La Paz that the mission was not favorably impressed with the prospects of a project in Bolivia. I replied that in the brief talk I had had with members of the mission this had not been my impression. They had drawn attention to a number of difficult problems but they seemed to think that these could be solved.



October 27, 1965

Finally, we turned to the question of the power program. Mr. Tragen told us that there had been a meeting shortly before he left Bolivia for Washington in which a number of important decisions on the Santa Cruz power program had been taken. The main decision was that ENDE would be charged with the task of building the new generating plant while the program for improving the distribution system would be in the hands of the Santa Cruz Cooperative. If, however, ENDE was unable to provide the necessary generating facilities within two years, the Cooperative would then be given the task of carrying out this part of the program as well. Mr. Tragen said that his mission regarded this as a very satisfactory outcome. It preserved ENDE's position but at the same time provided an effective spur to speedy action by ENDE. We said that by and large we shared his views and that we thought that if ENDE could make a quick start with the generation part of the program, the recent fuss over the role of the Cooperative would gradually die down. The Cooperative had been able to win considerable support, largely because people were afraid that ENDE would not be able to provide Santa Cruz with the necessary generating system.

Mr. Tragen then asked whether we were going ahead with work on a general power plan. Mr. Sear told him that so far our position had been that it was preferable to concentrate on eliminating certain major bottlenecks. In the present situation in Bolivia it was fairly easy to identify these and thus we had not yet done much about a national plan. Moreover, we felt that the key problem at the moment was the satisfactory reorganization of the Direccion Nacional de Electricidad (DINE) as a tariff regulating agency. We thought it very important that in Bolivia ENDE's position should be subject to review by an effective rate regulating body. In this way, we hoped that ENDE would become an effective source of power in Bolivia but at the same time it would be subject to a certain measure of surveillance by DINE. Mr. Tragen told us that he had not previously been aware of the importance of DINE and he agreed that it would be desirable that his mission should join us in pressing for its early organization for purposes of rate regulation.

cc: Messrs. Evans, Main, Loven, Riley, Sear, Webb, Keltie, Masoni

ADKnox/mw

our file

Files

October 27, 1965

A. David Knox

BOLIVIA - Transport

Mr. Ormachea of the Bolivian Embassy telephoned me on October 27 to say that he had received a letter from the Minister of Public Works on the subject of a general transport study. According to this letter the Bolivian authorities had been in touch with the UN Resident Representative on the question of preparing a request to the Special Fund for assistance with a general transport study.

The Bolivian authorities have also been preparing the draft terms of reference for such a survey. According to the letter from the Minister of Public Works, they wish to send this to the Bank for comments and Mr. Ormachea said that he would be sending it on to us as soon as he received it. He expected to do so within the next week or so and would be grateful if we could undertake to advise the Bolivian authorities on the adequacy of their proposed terms of reference. I replied that we would certainly examine it and do what we can in the way of providing comment.

cc: Messrs. Loven  
Riley ✓  
Webb  
Reamy  
Kaltie  
Masoni

ADKnox/mv



*our file  
Boliv. Rwy.*

Files

October 1, 1965

P. D. Assimakis

Bolivia -- Annual Meeting

The Delegation of Bolivia to the Bank's annual meeting, consisting of Messrs. Ibanez Gonzales, Vargas Guzman, Alba Quiroz, and Guillen, met at the Sheraton Park Hotel as scheduled with Messrs. Alter, Chaufournier, Weiner, and Knox. Messrs. Wyss and Assimakis were also present.

1. Mr. Alter explained briefly to the Bolivians that we are encouraged by recent developments in the Bolivian economy, and that IDA proposed to send an economic mission to Bolivia early in 1966. If that mission confirmed that economic improvements were continuing and if there were proper preparation of projects in areas of high economic priority IDA might be able to consider limited additional credits, in addition to the credits already approved for the development of the power sector. Regarding ENDE, Mr. Alter expressed our satisfaction with the way the Bolivians have implemented the project so far, but he stressed the point that we would like to see that DINE also is organized and operating fully as scheduled. The Bolivians assured us that they are cooperating with Motor Columbus to this end, and that they have no doubts that DINE will be ready before the Corani project is completed. They also stated that they were going ahead with the transfer of assets from CIAP to ENDE and hoped to have this finally dealt with in the near future.

2. The Bolivian Delegation underlined that they would need technical assistance in many sectors of the economy and in this respect they will intensify their contacts with FAO and other international agencies. From the Bank/IDA they expect to obtain technical assistance for education, and they will submit a draft of their new educational development plan now under preparation as soon as it is completed. In the field of transportation they complained that although they applied a few months ago to the UN Special Fund for managerial assistance to the railways, they have received no reply and they wish to know whether their application is finally going to be approved. We explained to them that the application is still pending with the UN Special Fund and according to their procedures a decision cannot be expected before January 1966. However, we promised to contact the UNSF as soon as possible and try to expedite a final solution. We pointed out that we had written to the UNSF giving strong support to the Bolivian application, but our latest information from New York was that the UNSF was not favorably disposed. In our judgment the Bolivians would have had a better chance of success with the UNSF if they had submitted a consolidated application for both a general transport survey and managerial assistance to the railways. In this respect Mr. Vargas said he planned to be in New York during the next week, and that he would discuss the subject with the UNSF and let us know his findings. If the UNSF attitude was negative, Mr. Alter stated that we would have to reconsider our position and decide what else might be done to assist the Bolivian railways.

3. The Bolivians wished to know whether the Bank would be willing to finance private industrial projects, especially in the mining sector. Mr. Alter explained that not the Bank but the IFC is the proper institution to provide industrial financing without Government Guarantee and that we could bring them in contact with the Director of the IFC Area Department in charge of Latin America if they were interested.
4. The Delegation asked about the status of the FAO report on livestock development. We explained that the mission was in Rome preparing their report which we expected to be available shortly.
5. The Bolivian Delegation welcomed our suggestion that an economic appraisal mission of the Bank will go to Bolivia early in 1966, possibly in February, and promised to provide their full assistance and cooperation.

Cleared with and copy to Mr. Knox

cc: Messrs. Bart  
McMeekan  
Sear  
Main/Loven  
Riley  
Masoni



SPECIAL FUND



FONDS SPECIAL

*file*

UNITED NATIONS  
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS: SPECFUND NEW YORK

REFERENCE: SF 310 BOL 15

11 October 1965

Dear Dick,

Bolivia - Railway Survey

I acknowledge with thanks the receipt of Mr. Riley's letter of 22 September concerning the proposed Railway Survey in Bolivia.

We are glad to note the Bank's opinion that the project deserves consideration without prejudice to a possible subsequent broader transport study. Mr. Riley's detailed comments will be most helpful for our further evaluation.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Myer Cohen".

Myer Cohen  
Director  
Bureau of Operations

Mr. Richard H. Demuth,  
Director of Development Services,  
International Bank for Reconstruction  
and Development,  
1818 H. Street, N.W.  
Washington 25, D.C.

cc: Mr. Knox - Western Hem. Dept.  
Mr. Loven - Projects  
Original to files 10/13/65

file

Files

September 23, 1965

V. J. Riley

Technical Assistance--Bolivia Railways

On September 21 I had a call from Mr. Broderick, who identified himself as Deputy Chief of the U. S. Aid Mission in Bolivia. He inquired about the status of the Bolivian request to the U. N. Special Fund for assistance to the Bolivian railways. I advised him that the request had been received in July but that it apparently was not to be included in the program going to the Governing Council in January. The reason given by the Special Fund was that they had received the request in Spanish and had asked the Government to provide them with an English translation. Since this had not yet been received, the request had not been evaluated. The result probably would be that the project would be put off until the June session of the Governing Council.

I told Mr. Broderick that we were making every effort to convince the Special Fund of the urgency of considering this request promptly and including it in its forthcoming program. In this respect I advised him that, in a day or so, I would be sending a letter to the Special Fund evaluating the project and pointing up the urgency of its implementation. Mr. Broderick advised me that any additional delay in the project could cause serious problems in AID. The United States had continued to meet the deficits in Bolivia on the anticipation that management assistance would be provided to the deficit-creating railroads--presumably by the Special Fund. It had been hoped that this would be provided during 1965 and while clear-cut evidence that it would be available in January '66 might not be too bad, serious problems would arise if nothing were forthcoming until June 1966. Mr. Broderick advised that he would discuss with officials in AID the possibility of having the U. S. Delegation to the UN make some presentations to the Special Fund regarding the urgency of this request. He also stated that the Chief of the Bolivian Mission would be in Washington in a fortnight and he would advise him to get in touch with us regarding this project.

On September 22, I had a call from Mr. Frank Vita, the Special Fund Project Officer for the Bolivian railway project. He advised me that the Special Fund had received a cable from the Acting Resident Representative in Bolivia, Mr. Pascoe, advising that the Government was amending its application to the Special Fund to include provision for a general transportation survey. The cable stated that the Government was doing this on the urging of the World Bank. I advised Mr. Vita that, while we had earlier urged the Government to include the general transportation survey in its request, we had not taken any steps in this direction since the formal request was presented in July. Moreover, I pointed out that, while we considered a transportation survey in Bolivia highly desirable, it was not a



September 23, 1965

matter of urgent priority. On the other hand, the assistance to the railways did have such urgency. Accordingly, we were prepared to press for consideration at this time of the railway project alone, leaving the broader survey to the future. Mr. Vita did not have any details about what the revised request may include. He said, however, that when he receives the request, or any information on it, he would send us a copy and I agreed that we would do the same.

VJR:fph

cc: Mr. Knox - Western Hem. Dept.  
Mr. Main/Loven - Projects Dept.

September 22, 1965

Mr. Myer Cohen  
Director, Bureau of Operations  
Special Fund  
United Nations  
New York, New York

Dear Mr. Cohen:

Since March, we have been discussing with the Special Fund a project to assist the Bolivian Railways.

After a number of obstacles were removed, the Government submitted a formal request to the acting resident representative in La Paz in early July, gearing its timing so that the project could be considered for the January 1966 program. We received a copy of the request from the Bolivian Embassy in Washington and although we have not yet been asked by the Special Fund to comment on the request, we have made an evaluation and are sending it along at this time hoping that it may facilitate your own consideration of the proposed project.

The request is limited to providing assistance in a number of operational fields where the Government needs help in operating its railroad system. The indicated assistance coincides quite closely with the recommendations made by a Bank mission that visited Bolivia last autumn. Since the Government could also benefit from a broad transportation study, the possibility of combining these two has come up in some of our Special Fund discussions, but the need for a general transportation study in no way lessens the need for assistance to the railroads. Moreover, in light of the fact that our discussions with the Bolivians regarding the broader transportation survey have been much more limited than our long-time involvement with the railroads, we find it not surprising that the Bolivians directed their request only to the latter.

The Government's request was submitted in Spanish and I understand from Mr. Schwob that the Government has been asked to provide the Special Fund with an English translation. Since this has not been received, Mr. Schwob has expressed doubt that this project can be considered for inclusion in the January 1966 program. This would be most regretable since assistance to the railroads is most urgently needed. Ideally, this



September 22, 1965

assistance should have been available in 1965 when the assistance being given by Britain was ended. That has not been possible, but it does heighten the urgency of providing assistance now.

In addition to the benefit that this assistance would bring to the railroad system, it could also make a notable contribution to the general economic situation in Bolivia since the railroad deficits are presently a serious drain on the economy.

As you are aware, the U.S. Government has been providing considerable financial aid to meet these deficits. After a period of uncertainty, this has been continued in anticipation of the Bolivian Government's obtaining the management assistance it needed--hopefully from the Special Fund. We have recently learned that this U.S. support could be jeopardized if this critically needed operating assistance to the railroads were further delayed. We hope this will not happen.

Turning now to the technical details in the request we have the following comments:

1. The centralized railway administration of the Bolivian National Railways was created on October 6, 1964, and is now on the way to implementing the "Sofrerail" recommendations. These recommendations are the outcome of an intensive railway study, undertaken on behalf of the Bolivian Government (with Bank financial assistance) by the French consultants, Sofrerail, in 1962. Out of the 25 most important recommendations ten are already implemented and five are underway. The remaining ten cannot be put into effect due to the insufficient experience of the administration. The assistance requested from the Special Fund is intended to meet this deficiency.

2. The Bolivian Government has asked for the following experts:

| <u>Expert Activity</u>                               | <u>Man-Months</u> |
|------------------------------------------------------|-------------------|
| (a) Bookkeeping and Statistics                       | 5                 |
| (b) Staff Administration                             | 6                 |
| (c) Cost Accounting Methods                          | 6                 |
| (d) Traffic and Tariffs                              | 4                 |
| (e) Workshop for Steam Locomotives and Rolling Stock | 6                 |
| (f) Diesel Locomotive Operation and Maintenance      | 3                 |
| Total                                                | 30                |

3. However, the Bank considers that the following staffing and time requirements are needed:

September 22, 1965

| <u>Expert Activity</u>                                 | <u>Man-Months</u> |
|--------------------------------------------------------|-------------------|
| (a) Management, Organization and Operations<br>(Chief) | 5                 |
| (b) Staff Administration                               | 6                 |
| (c) Accounting and Statistics                          | 4                 |
| (d) Traffic and Tariffs                                | 4                 |
| (e) Workshops and Rolling Stock Maintenance            | 6                 |
| Total                                                  | 25                |

4. On request of the railway administration, the time period of one or more experts might be extended upon agreement between parties concerned. The Bank has estimated the total cost in foreign currency at about US\$150,000 including cost of living in Bolivia and US\$25,000 for possible extension periods. An additional amount of about US\$50,000 should be included for the training abroad of Bolivian Railway employees.

5. The experts required by the Bolivian Government include the four last mentioned in the Bank's list (Para. 3). Therefore, the Government's request does not greatly differ from the Bank's proposition. The Bank considers that the activities set forth in Paragraph 2 - (a) and (c) should be covered by one expert (Accounting and Statistics), and that inclusion in the team of a high level consultant on management, organization and operations is essential. Adding a diesel-operating expert at this time appears to be premature. We would anticipate that agreement with the Government could be reached on the composition of the team of experts in accordance with the Bank's proposition.

We hope these comments will assist you in your review of this project and we will be happy to discuss this with you further, if desired.

Yours sincerely,

Vincent J. Riley  
Development Services Department

VJR:ms

cc: Mr. Knox  
Mr. Main/Loven  
Mr. Sassoon



*oufil*

DRAFT  
DLRegling:mnk  
Sept. 9, 1965

TO: Mr. A. David Knox

FROM: Projects Department

SUBJECT: Application for Technical Assistance to Bolivian Railways (UN Special Fund)

The Bolivian Government prepared a request to the UN Special Fund for technical assistance to the National Railways of Bolivia. The report is dealing with the new formation of a centralized railway administration. Created on October 6, 1964, the centralized administration set up a departmental organization on March 26, 1965 (7 departments). The network is divided into 5 zones, supervised by so-called Inspectores Generales which represent, locally, the Central Management. The Main Regulations of the National Bolivian Railways were approved by the Government on April 30, 1965. This railway administration recently put together is now on the way to implementing the Sofrerail recommendations. These recommendations are the outcome of an intensive railway study, undertaken on behalf of the Bolivian Government by the French Consultants "Sofrerail" in 1962. The position of the Bank during the past few years has been that a loan can be considered only after the Sofrerail recommendations have been implemented. Out of the 25 most important recommendations 10 are already implemented, 5 are under way and 10 cannot be put into effect due to administration having insufficient experience.

The following synopsis gives an idea of the 25 main recommendations and their implementation in the Bolivian National Railways.

## 1. Administrative Structure and Management Methods

1. Centralize the management and the administration of the Western Railway System and give it the structure of an integrated industrial enterprise.

The Enterprise Bolivian National Railway, created on October 6, 1964, ~~is~~ comprises the railway lines of the Western network, eliminating hereby the former interchange stations with their time-consuming traffic conditions.

2. Set up an Advisory Committee of the National Railways. Its members would be representatives of the departments involved, Chambers of Commerce and Industry, main users and staff.

Since April 1965 a Board of Directors was established, the members are representatives of Commerce and Industry, main users and staff. Meetings are held weekly.

3. Reorganize the General Management with three Departments and nine Divisions and reconstruct their internal organization.

The General Manager is assisted by two Deputies, one for technical operation and the other for traffic and commercial duties. Seven Departments are the backbone of the administrative structure.

4. Suppress the District Headquarters of the present Operating Department and set up 'Inspections' in the major centers, reporting directly to the three Departments. The function of the Inspections would be essentially technical.

This recommendation <sup>been</sup> has ~~been~~ implemented without any change. Inspections for the three main fields of railway activity are <sup>being</sup> set up in the centers of the departments.



5. Create a post of Chief Inspector in each Inspection Headquarters, directly responsible to the General Management. He would be a liaison officer between the General Management and local communities and would ensure the technical co-ordination of the various departments.

The post of Chief Inspector in each Inspection Headquarters has been created.

6. Introduce new management methods and centralize all matters of supplies, statistics and accountancy at the General Management Head Office.

The Stores Department is created under the supervision of the General Manager. For statistics and accounting the assistance of an expert is urgently needed.

7. Lay down Railway Staff Statutory Regulations and set up a centralized Staff Division.

For the setting up regulations and salaries the assistance of an expert is indispensable. The staff of the unified railway comes from different administrations with different working conditions. Uniformity and fair treatment can only be assured by the assistance of experienced specialists. The first steps towards reduction of staff are under way since 1962.

8. Introduce cost accounting methods.

In this field of activity only very little is done to introduce cost accounting methods due to lack of experience. Assistance of an expert is urgently needed.

9. Undertake psychological action along with the implementation of rehabilitation measures in order to improve labor relations and win over the workers' trust.

This recommendation was fully exercised and brought about great improvement in discipline and <sup>working</sup> ~~capacity~~ <sup>improved</sup>. This/attitude was indispensable for promising discussions between management and workers.

## 2. Prospective Integrated Railway System

10. Survey the legal and administrative problems raised by the integration of the FCMU and draw up the economic and financial balance of the operation.

First steps are under way but not yet completed.

11. Discontinue the operation of the LA PAZ-BENI line.

<sup>rail</sup>  
The/service is abandoned, road traffic is operated by private enterprises.

12. Dismantle the FCALP's track between EL ALTO and VIACHA.

Traffic between EL ALTO and VIACHA is closed down but this stretch is not yet dismantled due to lack of funds.

13. Associate the General Management more closely with the International Joint Commissions when decisions are made concerning the Eastern System.

After the Mixed International Bolivian-Brazilian Committee for the administration of the Eastern Network was abandoned, the "Direccion General del Servicio Nacional de Ferrocarriles" took office and incorporated the Santa Cruz-Corumbá railway into the Bolivian National Railway. The Yacuiba-Santa Cruz Railway is managed by the Mixed Committee (Bolivia-Argentina) and financially supervised by the "Direccion General del Servicio Nacional de Ferrocarriles".



### 3. Tariff and Commercial Policy

14. Investigate claims formulated by railway users and improve the technical transport conditions.

To improve the rail connection La Paz-Cochabamba a Pullman railcar service was created and between La Paz and Sucre a special service by diesel railcars was introduced. Similar improvement is planned for special high-class merchandise.

15. Delegate a traffic representative of the Bolivian Railways to ANTOFAGASTA and ARICA.

Traffic representatives <sup>have</sup> ~~been~~ nominated, they work in close cooperation with the Traffic Department.

16. Undertake tariff studies, with the assistance of an expert, taking into account the costs and tariff level of competitors.

Tariff studies are under way but an expert is needed to determine the limits of cost prices and tariff levels of competitive means of transport.

### 4. Civil Engineering

17. Remove progressively the earth ballast covering up sleepers when top-level is dealt with.

The recommendation is under way, step by step.

18. Place immediate orders for the track equipment needed for running safety (switches and crossings, sleeper fittings, minor track equipment).

Due to lack of funds available only very few stretches could be improved. On the main lines only a minimum level of safety for running could be achieved.

19. Introduce a cyclical organization of the maintenance of the permanent way.

First steps are taken by concentrating the labor and by setting up studies of the most suitable size of working groups as against mechanized track maintenance.

20. 5. Mechanical Engineering

20. Set up a close collaboration between the General Management and the Directors deputed by the FCAB and BRC as regards power running. Do away with the practice of changing engines at the frontier station of each railway.

The recommendation *has been implemented.*

21. Side-track freight cars with the poorest loading characteristics and temporarily postpone some repairs on carbodies.

The Bolivian National Railways put aside the freight cars with the poorest loading characteristics. Special attention is given to repairing locomotives and passenger cars.

22. Reorganize the maintenance of the fleet. Centralize major overhauls of steam locomotives at UYUNI shop and the maintenance of rolling stock at VIACHA shop.

The general overhaul of locomotives is now concentrated at Uyuni shop, but due to lack of funds without complete equipment. Main running shed is located at Oruro.

23. Work out a rehabilitation program for the whole Western System. *and*

24.



24. Lay down the maintenance process according to repetitive cycles.  
Schedule yearly maintenance program, streamline the organization of shops  
and ascertain shops' costs.

A complete rehabilitation program can only be set up by the  
assistance of an expert as well as for complete dieselization  
the advice of a well experienced specialist is urgently needed.

25. Modernize Shops' tool equipment.

Up to now it was not possible to modernize Shops' tool equipment due  
lack of funds available.

DRAFT  
DLRegling:nmk  
Sept. 10, 1965

TO: Mr. Warren C. Baum  
FROM: D. Regling

SUBJECT: Bolivia - Evaluation of the Bolivian Request for Technical Assistance for the Bolivian National Railways

1. The following experts have been requested:

|     | Current number of<br>Sofrerail<br>Recommendations | Expert Activity                                     | Assumed<br>Man-Months |
|-----|---------------------------------------------------|-----------------------------------------------------|-----------------------|
| (a) | Nr. 6                                             | Bookkeeping and Statistics                          | 5                     |
| (b) | Nr. 7                                             | Staff administration                                | 6                     |
| (c) | Nr. 8                                             | Cost accounting methods                             | 6                     |
| (d) | Nr. 16                                            | Traffic and Tariffs                                 | 4                     |
| (e) | Additional Request<br>by Bolivian Rail-<br>way    | Workshop for steam locomotives<br>and rolling stock | 6                     |
| (f) | "                                                 | Diesel locomotive operation<br>and maintenance      | <u>3</u><br>30        |

2. The foreign currency cost estimated by the Bolivian National Railways amounts to US\$ 220,000 as explained below:

|                                                         | US\$           |
|---------------------------------------------------------|----------------|
| 30 x 5000                                               | = 150,000      |
| Contingencies                                           | 20,000         |
| Scholarships for Bolivian<br>staff to be trained abroad | 50,000         |
| US\$                                                    | <u>220,000</u> |

3. In addition, The Railway would cover local currency expenditures for Bolivian staff, office facilities and transport within Bolivia. After return to its own country the team of experts should write a final



report on the progress achieved by the Railway and the experts' further recommendations. However, the Projects Department prepared tentative Terms of Reference on May 19, 1965 for a team of consultants to assist the Bolivian Railways Management.

4. The following staffing and time requirements were envisaged:

|                                                    | Man-months |
|----------------------------------------------------|------------|
| a) Management, Organization and Operations (Chief) | 5          |
| b) Staff administration                            | 6          |
| c) Workshops and Rolling Stock Maintenance         | 6          |
| d) Accounting and Statistics                       | 4          |
| e) Traffic and Tariffs                             | 4          |
| Total                                              | 25         |

5. On request of Management the time period of one or more experts might be extended upon agreement between parties concerned. The total cost in foreign currency was estimated at about US\$ 150,000 including cost of living in Bolivia and US\$ 25,000 for possible extension periods.

6. In the total<sup>for</sup>/this assistance an additional amount of about US\$ 50,000 should be included for training abroad of Bolivian Railway employees. The Railways should, with the assistance of their advisers prepare proposals showing the names and functions of the staff, the period and country for the training envisaged, including an estimate of the foreign exchange cost for each trainee.

7. The Projects Department considers that it would be desirable to reach an agreement between the Government and the British companies with regard to the compensation to be paid by the Government for the British owned railways in Bolivia before the Bank gets involved in this technical assistance.

Assisting the new Bolivian Railway Administration should not be delayed by waiting for the setting up of a general transport survey in Bolivia.

8. Since management assistance to the Bolivian Railways is urgently needed and the first steps toward implementation of Soffersell's recommendations have been taken, it is important that this assistance be granted as soon as possible.



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

September 2, 1965

Messrs. Main  
Loven  
Riley ✓  
Sassoon  
Danbski



I attach translations of two further documents received from the Bolivian Embassy about Bolivian transport studies. I hope that within the next day or so we can have a meeting to decide our precise course of action in advising the Special Fund on the Bolivian application for technical assistance.

A. D. Knox

Mr. Knox

Room 584

REPUBLIC OF BOLIVIA

MINISTRY OF PUBLIC WORKS  
AND COMMUNICATIONS

In reply, please quote: M-1-1648

La Paz, July 14, 1965

Staff Col. Joaquin Zenteno Anaya,  
Minister of Foreign Relations,  
La Paz.

Dear Minister:

Further to my letter M-1-1539 dated June 25, 1965, I am attaching four copies of the complete project for technical assistance to Empresa Nacional de Ferrocarriles, to be financed by the United Nations Special Fund. I should appreciate your forwarding the four copies to the Representative of the U.N. concerned, for appropriate processing.

Also, on the recommendation of our Ambassador in Washington, contained in cable No.62 to your office, it is necessary that the World Bank (IBRD) be designated the "executive agency" for the purpose of processing the above-mentioned project in the United Nations Organization and arranging for the pertinent financing to be effected as early as possible.

Moreover, in your letter to the appropriate U.N. representative, I would urge you to mention that the project in question is being assigned first priority since it solves a rail transport problem of the greatest importance.

Please accept, etc.

Original signed by the Minister,

D.I.M. Col. Sigfredo Montero Velasco,  
Minister of Public Works and Communications.

Stamp of the Ministry of  
Public Works and Communications,  
La Paz, Bolivia.

TRANSLATION SECTION

1262/65

Translated From: Spanish: 9/1/65 By: RW:bm



Translation of cable from Bolivian Ministry of Public Works and Communications to Bolivian Embassy in Washington, D.C.

Unclassified 134. Ref. your No.219.

Chancery today handed to United Nations representative four complete dossiers containing the credit application to the U.N. Special Fund. A dossier was also sent to your embassy on June 14.

Point one: Bolivian Government is in agreement with the overall study on transportation and is accordingly compiling a list of the experts we require, namely: Two experts for coordinating transport in general and three LAB (Lloyd-Aereo Boliviano) experts - one for planning and production, one for financial analysis and the third for air rates. If foregoing are accepted, LAB would complete application immediately.

Point two: Bolivian Government does not want any other railroad study. It points out that the experts applied for will have the specific assignment of implementing the recommendations of the SOFRERAIL PLAN. After studying application dossier, please indicate whether the visit by the official from the Ministry of Public Works is still necessary. Bolivian Government assigns first priority to advice on Railroads and Coordination of Transport. Furthermore I consider that the experts mentioned above, including those from LAB, can be regarded as forming a single project. Question of compensation for British companies is now being negotiated.

Minister of Public Works and Communications.

*in file*

Files

July 30, 1965

A.D. Knox

BOLIVIA: Technical Assistance for Transport

1. I spoke to Mr. Ormachea of the Bolivian Embassy this morning about the Bolivian application to the Special Fund for management consultants for the Bolivian Railways. I asked him first whether he had received any response from La Paz to our suggestion that this request for management consultants should be complemented by a general transportation study. He replied that so far he had heard nothing but that the Ambassador was returning from La Paz on Monday and he hoped he might have some news then.
2. I then told Mr. Ormachea that we had been informed by the UN Special Fund that they had not yet received the detailed application for assistance to the Bolivian Railways of which he had sent us a copy last week. I told him that it was important that the Special Fund should receive this as soon as possible and I asked him to do his best to get a copy to the Fund.
3. Since I am going to be away for the next two or three weeks I asked Mr. Ormachea to pass on any news he received to Mr. Masoni.

cc. Messrs. Main/Regling  
Riley ✓  
Sassoon  
Dambski  
Fajans  
Masoni

ADKnox:jh



file

July 26, 1965

Mr. Hector Ormachea  
Embassy of Bolivia  
Suite B 1250,  
3636 16th Street NW  
Washington D.C.

Dear Mr. Ormachea:

I am now returning, with my thanks, the letter from the Bolivian Railways which you very kindly let me see. I am retaining for further study the detailed submission made by the Bolivian Government to the Special Fund for technical assistance to the railways. I trust that it is in order for us to keep this latter document for the time being so that we may study it carefully.

Sincerely yours,

A.D. Knox  
Western Hemisphere Department

cc. Messrs. Regling  
Riley ✓  
Sassoon  
Keltie  
Reamy  
Assimakis

ADKnox:jh

*our file*

Mr. Regling

July 23, 1965

A.D. Knox

BOLIVIA: Technical assistance to railways

I attach documents which I have received from Mr. Ormachea at the Bolivian Embassy setting out the details of the Bolivian request to the UN Special Fund for technical assistance to the Bolivian railways. I think we should review these documents in order to be able to advise the Special Fund. Would you please let me know whether you concur with this and, if so, how you think we should proceed.

cc. Messrs. Riley ✓  
Sassoon  
Keltie  
Roamy  
Masoni/Assimakia

ADKnox:jh



Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

July 26, 1965

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

I attach a copy of a letter sent to me by Mr. Ormachea of the Bolivian Embassy. The letter sets out the steps the Bolivian Railways claim to have taken in order to carry out the recommendations of the Sofrelec report.

From

A.D. Knox

## EMPRESA NACIONAL DE FERROCARRILES

GERENCIA GENERAL

CASILLA No. 428

Dirección Telegráfica:

"FERROBOL"

Teléfonos:

26916-25694-28895-22510

La Paz, 14 de Julio de 1965

Sirvase citar No. B22/99 3190

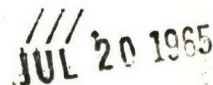
Al Excmo. señor  
Embajador de Bolivia en los EE.UU. de Norte América,  
Tcnl. D. Julio Sanjinés Goytia,  
The Woodner Hotel  
Suite 1250 - 3636  
16th. Street  
Washington LO. 25 - USA.

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Excmo. señor Embajador:

Pidiendo excusas a Ud. por dirigir me directamente sin la observancia del respectivo conducto regular, deseo expresarle, a nombre de la Empresa Nacional de Ferrocarriles a mi cargo, nuestros más sinceros agradecimientos por la invalorable colaboración que nos está prestando en la consecución de los trámites ante las Naciones Unidas, para la venida al país de una comisión de técnicos, para que, dentro de sus específicas funciones, procedan a verificar la labor que nos cupo desempeñar durante los pocos meses transcurridos desde la creación de la Empresa Nacional de Ferrocarriles, a más de que nos presten su asesoramiento en algunos otros aspectos, tales como Estatuto Ferroviario, Racionalización de Personal y Salarios, Estudios Tarifarios, Sistemas de Precios de Costo, etc. Indudablemente, las experiencias que puedan adquirir los técnicos sobre las medidas que se han puesto en práctica, han de contribuir en forma positiva al financiamiento de recursos por parte del Banco Mundial de Reconstrucción y Fomento, con destino a la total rehabilitación y modernización de los ferrocarriles nacionales, con miras a reducir los altos índices de explotación que representa el uso ya anticuado del sistema de tracción a vapor, a lo cual se suma el material envejecido por más de medio siglo de uso sin que se hubiera hecho una adecuada renovación.

En los pocos meses transcurridos desde la creación de la Empresa Nacional de Ferrocarriles, se han impuesto medidas importantes en la reestructuración de los ferrocarriles nacionales, cumpliéndose así las recomendaciones hechas por la Misión Francesa "Sofrerail", faltando complementar algunos otros aspectos donde es necesario el asesoramiento de técnicos especializados.

JUL 20 1965



# EMPRESA NACIONAL DE FERROCARRILES

GERENCIA GENERAL

CASILLA No. 428

Dirección Telegráfica:  
"FERROBOL"

La Paz, ..... de 19 .....

Teléfonos:

Sevase citar No. ....

26916-25694-28895-22510

- 2 -

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Para su ilustrado conocimiento, tengo el agrado de enviarle copia del informe que he elevado al Despacho de Obras Públicas y Comunicaciones, relacionado con las labores que nos cupo desempeñar durante el primer semestre del año en curso, en la unificación de la red ferroviaria occidental.

De las experiencias adquiridas hasta el presente, vemos que se hace imperiosa la necesidad de efectivizar, al más breve plazo posible, el proyecto de dieselizar el sistema ferroviario en Bolivia que, indudablemente ha de traducirse en un servicio más rápido, cómodo y eficiente, y lo que es más, a un costo mucho menor que el sistema a vapor, por la economía que significa en su mantención como asimismo en el consumo de combustible líquido, que son los rubros que inciden más desfavorablemente en la economía presupuestaria de explotación. Por este y otros motivos obvios, creemos fundadamente concitar el interés del Banco Mundial de Reconstrucción y Fomento en la materialización de los recursos necesarios destinados a la rehabilitación y consiguiente modernización del sistema de transportes ferroviarios del país.

A esta finalidad, el Supremo Gobierno, con miras a sanear la situación jurídica de las pertenencias de The Antofagasta (Chili) and Bolivia Railway Company y The Bolivia Railway Company, se encuentra negociando con la Compañía Inglesa la forma de compensación de sus bienes, y estimo que en poco tiempo más, se habrá logrado definir este asunto.

Aprovecho la oportunidad para renovar al Excmo. señor Embajador, las expresiones de mi más alta y distinguida consideración.

Incl.

EMPRESA NACIONAL DE FERROCARRILES

Ing. GUSTAVO A. MENDEZ T.  
Gerente General



La Paz, junio 28 de 1965

B.22/95/2797

Al Señor Ministro de  
Obras Públicas y Comunicaciones,  
Presente.

Señor Ministro:

INFORME DE LABORES PRIMER SEMESTRE DE 1965

Me permito elevar a consideración del señor Ministro, el siguiente informe resumido de las labores desarrolladas durante el primer semestre del año en curso, en la Administración de la Empresa Nacional de Ferrocarriles, que fuera creada por Decreto Supremo No. 66909 de fecha 6 de octubre de 1964, y que aglutina en su seno a todos los ferrocarriles de la red occidental.

Las recomendaciones del plan "Sofrerail" han sido cumplidas, tanto en los aspectos de centralización, unificación de servicios, implantación de normas y medidas técnicas, con excepción de algunos aspectos donde se requiere el asesoramiento de personal técnico que a la vez de dictar algunas normas, supervigile el programa que se ha cumplido hasta el presente.

En estas condiciones, la Empresa se encuentra suficientemente capacitada para recibir créditos destinados a su total rehabilitación y modernización.

A continuación, resumo correlativamente las medidas puestas en práctica y que son las siguientes:

1o.- Se ha logrado recuperar en forma total el principio de autoridad, existiendo plena disciplina y responsabilidad en todo el personal de empleados y obreros, lo cual coloca a la Empresa en situación de cumplir cualquier programa de trabajo, que hasta hace poco era una quimera.

2o.- Como primera instancia y con el propósito de borrar las fronteras que constituían las estaciones de empalme, se puso en vigencia el uso común de medios, material rodante y de tracción, con lo que ha desaparecido la discriminación existente entre una y otra empresa que ahora forman la Empresa Unica.

3o.- Emergente del punto anterior, se ha procedido a la unificación de las estaciones de empalme de la Paz (Central) El Alto, Viacha, Cochabamba, Potosí y Atocha, con una redistribución del personal más capacitado. Los trabajadores sobrantes han sido absorbidos en otras actividades.

4o.- Se ha concluido el trabajo de enlace de vías de los ex-ferrocarriles La Paz-Antofagasta y Arica-La Paz, en Viacha, quedando sólo en servicio la línea férrea entre El Alto y Viacha que perteneció al ex-ferrocarril La Paz-Antofagasta, y como estación única la del ex-ferrocarril Arica-La Paz. La vía de esta última ex-Empresa que une las dos estaciones nombradas y que ha quedado en desuso, ha de ser levantada tan pronto nuestras posibilidades económicas lo permitan, como también la red de comunicaciones paralela.

5o.- El Departamento de Tracción ha sido dividido en dos, que son el Departamento de Maestranza con asiento en Uyuni, cuya finalidad de carácter industrial es la de atender todo el programa de reparaciones pesadas y generales de todas las locomotoras y material rodante de la red occidental, el que a su

/ / /



vez cuenta con maestranzas zonales en Viacha, Cochabamba, Tupiza y Sucre, y el Departamento de Tracción con base en Oruro, en cargo de la mantención de locomotoras y distribución de las mismas de acuerdo a los requerimientos del tráfico de pasajeros y carga.

6o.- Se ha centralizado en la ciudad de Oruro el Departamento de Almacenes, el que se encarga de la atención de suministros de materiales, drogas, artículos de pulpería a todos los distritos de la República. Cuenta, además, con secciones en algunas ciudades principales encargadas de efectuar adquisiciones.

7o.- También han sido centralizados los sistemas contables de los diferentes ferrocarriles en el Departamento de Contabilidad en esta ciudad, que cuenta con secciones mecanizadas IBM y auditoría. Este efecto se ha hecho una redistribución de oficinas en los locales que ocupaba la ex-Superintendencia General en la región de Pura Pura, puesto que el edificio principal situado en la calle Bolívar era estrecho para dar cabida a las diversas secciones que comprende el Departamento mencionado.

8o.- El Departamento de Tráfico y Movimiento con base en Oruro, ha sido igualmente reestructurado sobre nuevas bases, en consideración a que sus funciones han quedado ampliadas en escala nacional. Este Departamento, por su vital importancia dentro de las actividades de la Empresa, ha merecido una preferente atención, cuyos resultados hasta el presente, son altamente halagadores, pues, debo destacar el hecho de que no sólo se están cumpliendo los transportes en forma oportuna, sino que hay un saludable repunte en el tonelaje transportado, tanto de carga de importación como de los minerales de exportación, lo cual redundará en beneficio de la economía del país.

9o.- Se ha procedido a eliminar el servicio antieconómico de autocarriles y automotriz en la línea del ex-F.C. La Paz-Beni, entregándose la atención del transporte de pasajeros a la iniciativa privada (flotas) con mayores ventajas y seguridad. El personal cesante como consecuencia de esta supresión, ha sido trasladado a otros distritos donde la Empresa contrataba periódicamente personal eventual para los trabajos de reparación y consolidación de la vía permanente, especialmente en el Ramal Cochabamba. Felizmente, no se ha tenido que confrontar problemas sociales con motivo de la transferencia de trabajadores de uno a otro distrito.

Los vehículos que han quedado fuera de uso están siendo adaptados a autocarriles para el servicio de pasajeros y carga en la Maestranza de Pura Pura, la que ha demostrado alta capacidad y técnica en la adaptación y rehabilitación de autocarriles para el servicio público.

10o.- En la misma forma, el servicio automotriz que estaba bajo la atención del ex-F.C. Villazón-Atocha, ha sido retirado últimamente y como en el caso anterior, este servicio será atendido por flotas particulares, de modo que no se ocasionará perjuicios a los intereses del Departamento de Tarija, donde el edificio de la estación terminal ha sido entregado a las autoridades de la Universidad, cumpliendo así los deseos de la Junta Militar de Gobierno.

Como en el caso anterior, los omnibuses que hacían este servicio, han sido entregados a las maestranzas para su adaptación a autocarriles. El personal que ha quedado cesante, está siendo ocupado en otras actividades donde sus servicios son necesarios.

11o.- Los servicios médicos han sido reestructurados. Se está ultimando los trabajos de adaptación de la



Clínica Central en el edificio del ex-rancho Inglés de esta ciudad, donde se instalará un equipo de Rayos X recientemente importado y que está conceptuado como el mejor y más completo de la República. Asimismo, una sala de operaciones y demás dependencias completas y modernas para una atención eficiente al personal de la Empresa.

El funcionamiento de esta Clínica ha de representar para la Empresa un ahorro considerable en los desembolsos cuantiosos que ha venido afrontando hasta el presente en concepto de pago de facturas por atenciones en Clínicas particulares. Además, en el edificio de la Clínica de los ex-r.F.CC. del Estado, situado en la región de Pura Pura, se han de concentrar las oficinas del personal administrativo, consultorios médicos y farmacia. En resumen, se ha planificado los servicios médicos en base a los adelantos terapéuticos que aconseja la ciencia moderna, lo que indudablemente ha de redundar en beneficio de los trabajadores.

12o.- Bajo los mejores auspicios, se ha puesto en vigencia un nuevo servicio de autocarriles Pullman entre las ciudades de La Paz, Oruro y Cochabamba, el mismo que ha merecido la más franca acogida del público, traducido en una demanda que excede en mucho la capacidad de los vehículos. Es digno de destacar, en esta oportunidad, la ardua labor desplegada por el personal técnico nacional y mecánicos de la maestranza instalada en Pura Pura, donde han sido rehabilitados y adaptados estos vehículos con los escasos medios disponibles. Su confort ha merecido los más encomiables elogios de parte del público usuario, como asimismo la seguridad y rapidéz de sus recorridos.

Dentro de breves días más, se extenderá este servicio a la ciudad de Sucre, a cuyo fin están siendo adaptados convenientemente dos coches motores diesel. El recorrido entre la ciudad de La Paz y la Capital calculamos que ha de reducirse a la mitad.

Igualmente, en breve, será implantado un servicio rápido de autocarriles entre La Paz y Villazón con algunos vehículos que se están habilitando para este objeto; pues, es nuestro propósito remplazar, provisionalmente, el pesado y lento servicio de trenes, hasta tanto la Empresa pueda cambiarlos con material rodante moderno.

13o.- La Superintendencia General de Ferrocarriles en Construcción, que hasta el presente tenía una limitada función, con escaso provecho para los ferrocarriles y un drenaje presupuestario inútil, ha pasado a la dependencia de la Empresa Nacional de Ferrocarriles en virtud de lo dispuesto por la Resolución Ministerial No.030, con presupuesto autónomo financiado por la Dirección del Servicio Nacional de Ferrocarriles, donde su labor es vasta y de gran magnitud. Sus funciones han sido reglamentadas en forma tal que lejos de constituir la dualidad con las labores del Departamento de Vía & Obras, es mas bien un complemento en la ejecución de obras de gran aliento, tales como la construcción de variantes, puentes, obras de arte, etc.

14o.- Se ha organizado una comisión encargada de efectuar la conciliación de las deudas y acreencias de todos los ex-ferrocarriles que integren ahora la Empresa Nacional de Ferrocarriles, hasta el 31 de octubre de 1964, con el concurso de los auditores de ECA.

15o.- Acorde con las recomendaciones de los organismos financieros, el Supremo Gobierno ha dispuesto una rebaja de \$b.00.5 en el precio por litro de fuel oil que suministra Yacimientos Petrolíferos Fiscales Bolivianos a la Empresa Nacional de Ferrocarriles.



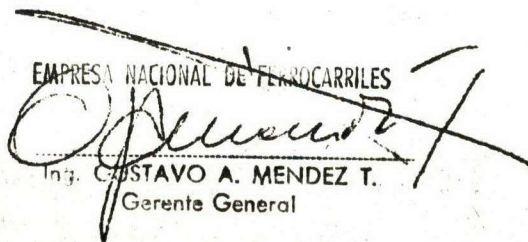
16o.- Como consecuencia de los últimos acontecimientos que son de dominio público, la Empresa, acorde con la política de reordenamiento que se ha impuesto la H. Junta Militar de Gobierno, ha prescindido de los servicios de alrededor de cien trabajadores de tendencia político-extremista que se habían incrustado en las directivas sindicales y que eran el origen de un permanente estado de desorden y enarquilla. Esta medida saludable ha dado como resultado la recuperación de la disciplina tan venida a menos en los últimos años, y, consiguientemente, la elevación de los índices de producción, en todas las secciones y a lo largo de las líneas del país.

Igualmente, se está procediendo a la indemnización y desahucio de todos los trabajadores que en forma espontánea han manifestado su deseo de retirarse del servicio de la Empresa. No ha existido en ningún momento el propósito de efectuar despidos masivos, con lo cual se ha evitado conflictos al Supremo Gobierno, aunque existen algunos elementos anarco-sindicalistas que al ser desplazados de sus prebendas se han dado a la tarea de desprestigiar a la Gerencia de la Empresa, con la especie fáil de que se estuviera cometiendo una masacre blanca, lo cual, repito, no es evidente.

17o.- Con estas y otras medidas que se están poniendo en práctica, virtualmente se ha cumplido el plan "Sofrerail". Debo destacar el hecho de que todo este programa ha podido cumplirse sin una base económica, puesto que hasta el presente no ha sido aprobado por el Supremo Gobierno nuestro Presupuesto de Operaciones para la presente gestión.

Finalmente, me permito reiterar la necesidad impostergable de conseguir que el Banco Mundial de Reconstrucción y Fomento destaque a nuestro país una comisión de técnicos que a más de fiscalizar la tarea cumplida hasta el presente en la unificación de la red ferroviaria occidental, en observancia a las recomendaciones del plan "SCFRERAIL", se logre la financiación de los recursos necesarios para la rehabilitación y modernización de los ferrocarriles que se encuentran en un estado de postulación debido a que el material rodante, de carga y pasajeros, ha cumplido superabundantemente el límite de duración, no constituyendo ninguna garantía de seguridad en lo futuro.

Esperando que el presente informe, suscinto, merezca su digna aprobación, aprovecho la oportunidad para renovar al señor Ministro, las expresiones de mi consideración más distinguida.

EMPRESA NACIONAL DE FERROCARRILES  
  
Ing. GUSTAVO A. MENDEZ T.  
Gerente General



*our file*

Files

July 21, 1965.

Philocles D. Assimakis

BOLIVIA - Railways

1. As per my memorandum of July 19, 1965, paragraph 6, Mr. Ormachea of the Bolivian Embassy came to the Bank on Friday July 16 and conferred with Messrs. Knox, Riley, Hegling, Sassoon and Assimakis.
2. We explained to Mr. Ormachea that we were having some difficulty in interpreting the request submitted by the Bolivian Government to the UN Special Fund but that we presumed it was for management consultants for the railways and not for another study of the railways. We said that the Bank's position was that general survey of Bolivia's entire transport system would be preferable to assistance for the railways alone and that the Bank would be prepared to recommend to the UNSF that technical assistance be given for a transport study and for management consultants for the railways. We further added that there was still time for his Government to reconsider since if a revised application along these lines were submitted to the UNSF before the end of August, it might be possible that the General Council of the UNSF would decide on it during its January 1966 meeting.
3. Mr. Ormachea's first reaction to our suggestion was favorable and he offered to contact his Government as soon as possible and let us know before the week ending July 23. He further explained that from the administrative point of view, a general transport survey might be easier to undertake since all transportation means were under the auspices of the Ministry of Public Works and Communications.
4. We pointed out to Mr. Ormachea that it might be difficult for the Bank to act as executing agent for a transport study if there continued to be a dispute over the compensation to be paid to the former British owners of the nationalized railways. He replied that, although he had the impression that the matter was under consideration, he knew of no concrete measures that his Government had recently taken to resolve it.
5. The Bolivian Government's application to the UNSF had referred to the possibility of Bank finance for a railway rehabilitation program. We explained to Mr. Ormachea that although the Bank was anxious to help Bolivia, it would be unwise for Bolivia to incur the obligations of a normal Bank loan at this time. Instead, we concluded that until the Bolivian economic situation improved, we should have to think in terms of rather limited IDA credits.

cleared & cc: Mr. Knox

cc: Messrs. Riley  
Regling

ADKnox:PDAssimakis:ldy

Sassoon  
Dambski/Reamy  
Mason/div. files



Files

July 19, 1965

Philocles D. Assimakis

BOLIVIA - Railways

1. The Working Party, Messrs. Knox, Riley, Koenig, Regling, Dambaki, Sassoon and Assimakis met on July 14 to review the Bolivian Government's recent request to the United Nations Special Fund to provide technical assistance for the rehabilitation of the Bolivian Railways.
2. The following issues were mainly discussed:
  - a) whether the Bank is prepared to support the application of the Bolivian Government for technical assistance to the railways alone or only in conjunction with an application for an overall transport survey;
  - b) whether there are sufficient data available to draw up terms of reference and specifications for either of the surveys, and if not, what steps should be followed.
3. The Working Party agreed that to support the application for the railways alone would not solve in the long run the perennial problems of the railways system in Bolivia and, further, it might even delay a thorough review of the entire transport system.
4. The Working Party agreed that a general survey of the transport system in Bolivia, which, incidentally, would cost approximately \$600,000 would be the best way to grasp Bolivia's transportation needs. The Working Party recognized that although the Bolivian Government has not indicated a final interest in such a study, it could perhaps be convinced about it especially if they realized that, while the chances of INRD/IDA financing for the railways were currently very small, there would be no possibility of such finance unless we could assess the needs of the railways against the background of a general transport survey.
5. The Working Party agreed that the Bank should recommend to the UNSF that
  - a) technical assistance for a survey of the transport system is preferable to a study of the railway problem alone; and
  - b) consideration should be given to the timing of the transportation study so that it might be made conditional upon some evidence of satisfactory performance by the railways in carrying out the recommendations of the 1962 Sofrerail Report.

6. Accordingly, the Working Party agreed that we should make an effort to explore the subject with the Bolivian authorities and in this respect a meeting has been arranged with Mr. Ormachea of the Bolivian Embassy on Friday afternoon, July 16, 1965.
7. Should the Bolivian Government decide to insist on the application for technical assistance for the railways alone and assuming that the UNEP will be prepared to finance it, the Bank would be willing to consider to provide its assistance to the Bolivian authorities to draw up the application.
8. The Working Party agreed that at this stage there are sufficient data available in Washington for preparing terms of reference for either surveys, the Railways or the General Transport Survey and that, therefore, there is no reason for sending a mission to Bolivia.

cleared with and cc. Mr. Knox

cc. Messrs. Dambaki

Regling

Riley/Koenig ✓

Masoni

Sassoon

PDassiniakie:jh

I believe we are prepared to  
help if the Govt wants a  
program for both General Tso  
+ Railways. If Govt wants  
Railways alone, it's doubtful  
we would want to do  
much.

*Riley*



FORM No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

**ROUTING SLIP**

**Date**

July 16, 1965

**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.D. Knox

*ouf*

Files

July 16, 1965

A.D. Knox

BOLIVIA: Railways

1. Mr. Wright, who is acting as Alternate Executive Director for the United Kingdom, telephoned me on July 15 about the Bolivian railways. He said that he had heard a report that the Bank was on the point of making a loan to the Bolivian railways. He wished to know our position on the outstanding dispute between the Bolivian Government and the former British owners of some of the Bolivian lines and whether we were proposing to make a settlement of this matter a condition for our loan.

2. I explained to Mr. Wright that we were not considering any loan to the Bolivian railways. The extent of our involvement at the present was that we were considering what advice we should give to the UN Special Fund on an application received by the Fund for technical assistance for the railways. I explained that even if the Fund were to grant this request, which would be considered at the meeting of its Council in January 1966, there would still be a substantial number of conditions we would wish to see satisfied before we could consider a loan to the Bolivian railways. I told Mr. Wright that I thought I could say quite safely that any loan, if indeed we were to make one at all, was still some distance away.

cc. Messrs. Hegling  
Riley  
Sassoon  
Dambaki  
Assinakis

ADKnox:jh





## NACIONES UNIDAS

Edificio Cía. Boliviana de Seguros  
Calle Colón No. 282, 6º. piso  
LA PAZ - BOLIVIA

JUNTA DE ASISTENCIA TECNICA

Cables: "UNATIONS"

FONDO ESPECIAL

Cables: "UNATIONS"

CENTRO DE INFORMACION

Cables: "OMNIPRESS"

File No. 1- 4-04 } 2694  
1-16-03 }

Teléfonos: 22394 - 23279  
Dirección Postal: Casilla 686

28 June 1965

Dear Mr. Riley,

..... As a follow-up of Miss Anstee's letter No. 2156 of 20  
..... May to you, I am sending copies of the recent request of the  
..... Bolivian Ministry of Public Works for an IBRD mission to stu-  
..... dy the situation of the Bolivian railways. I am also sending  
a copy of my letter No. 2693 to Mr. Myer Cohen of the Special  
Fund, in connection with the same subject.

I hope that I will hear both from you and the Special  
Fund as soon as possible as to the next steps to be taken in  
connection with the possible implementation of this project.

Yours sincerely,

*J. Pascoe*  
Juan Pascoe S.

Acting Resident Representative  
of the Technical Assistance Board and  
Acting Director of  
Special Fund Programmes  
in Bolivia

Mr. Vincent J. Riley,  
Development Services Department,  
International Bank for Reconstruction  
and Development,  
(International Development Association),  
1818 H Street N.W.,  
WASHINGTON, D.C. 20433 - U.S.A.

UNITED NATIONS



NATIONS

smd.-  
UNIES

NACIONES UNIDAS

Edificio Cía. Boliviana de Seguros  
Calle Colón No. 282, 6o. piso  
LA PAZ - BOLIVIA

JUNTA DE ASISTENCIA TECNICA  
Cables: "UNATIONS"

FONDO ESPECIAL  
Cables: "UNATIONS"

CENTRO DE INFORMACION  
Cables: "OMNIPRESS"

1- 4-04 } 2728  
File No. 1-16-03

Teléfonos: 22394 - 23279  
Dirección Postal: Casilla 686

30 June 1965

Dear Mr. Cohen,

Please refer to the third paragraph of my letter No. 2693 of yesterday's date to you. I now enclose a copy of the Ministry of Foreign Affairs' note No. DGOI-841/835/157 dated 25 June, endorsing the Ministry of Public Works' request for a joint mission of the IBRD and the Special Fund to make an overall study of the Bolivian railways situation.

I am copying this letter and annex to Mr. Riley of the IBRD for his information.

I shall look forward with interest to your reaction to the above request.

Yours sincerely,

Juan Pascoe S.  
Acting Director of  
Special Fund Programmes  
in Bolivia

Mr. Myer Cohen,  
Director, Bureau of Operations,  
UN Special Fund,  
United Nations,  
NEW YORK, N.Y.





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## CENTRO DE INFORMACION

Cables: "OMNIPRESS"

1- 4-04 } 2693  
File No. 1-16-03 }

Teléfonos: 22394 - 23279  
Dirección Postal: Casilla 686

28 June 1965

Dear Mr. Cohen,

This will confirm today's cable No. 199 sent to you which said:

" ANSTEE'S LETTER 2156 OF 20/5 BOLGOVERNMENT HAS REQUESTED SPECFUND AND IBRD RAILROAD MISSION STUDY TECHNICAL ECONOMIC AND ADMINISTRATIVE MEASURES INCLUDING RATES COMMA TRANSPORT COSTS COMMA ACCOUNTING COMMA DIESEL STUDIES stop ALSO REQUEST TRANSPORT STUDIES RELATED EXPORTS IMPORTS stop AIRMAILING COPY REQUEST ALSO TO RILEY IBRD".

.....  
This cable was prompted by the fact that today we received a copy of a letter sent by the Minister of Public Works and Communications to the Minister of Foreign Affairs, dated 25 June, requesting the International Bank for Reconstruction and Development to send a group of experts to make an exhaustive study of the Bolivian railways situation. I am now sending you a copy of that request.

Even though this request has not yet been transmitted through the Ministry of Foreign Affairs, there is no doubt that this will be soon forthcoming, inasmuch as, according to letter No. 2156 of 20 May sent to you by Miss Anstee, the Foreign Minister is so interested in the matter that he sent letters recommending the project to the Minister of Planning. You also received copies of these letters in Miss Anstee's letter under reference.

I have asked USAID about that organization's position in this matter, and the Acting Director, Mr. John Eddison, stated that they intend to continue to help finance the railways and that they very much welcome the IBRD Mission.

I am sending a copy of this letter to Mr. V.J. Riley of the IBRD who has corresponded with Miss Anstee in connection with this possible project. I hope you will let me know as soon as possible

Mr. Myer Cohen,  
Director, Bureau of Operations,  
UN Special Fund,  
United Nations,  
NEW YORK, N.Y.

/--



what I should tell the Government regarding the possible implementation of this request.

Yours very sincerely,

Juan Pascoe S.  
Acting Director of  
Special Fund Programmes  
in Bolivia



La Paz, 25 de junio de 1965

Al señor  
Cdr. EN. Joaquín Zenteno Anaya  
MINISTRO DE ESTADO EN EL DESPACHO DE  
RELACIONES EXTERIORES Y CULTO  
Buenos Aires.

Señor Councillor:

Agradecemos que con carácter de urgencia al respecto a su cargo, solicite al representante de las Naciones Unidas en La Paz, el financiamiento del viaje del grupo de Expertos Ferroviarios solicitados al Banco Mundial de Reconstrucción y Fomento, a objeto de verificar el cumplimiento de las recomendaciones del Informe "Lofarail" y de las medidas de orden técnico, económico y administrativo puestas en vigencia por la Empresa Nacional de Ferrocarriles hasta el presente, así como las medidas de carácter social y disciplinario adoptadas para el mejoramiento de los Servicios Públicos en general.

Los Expertos solicitados también prestarán su concurso en los siguientes aspectos:

- 1.- Administración del personal (Estadística Ferroviaria-Reconstrucción del personal y servicios)
- 2.- Estudios tarifarios y conexos.
- 3.- Estudios de costos de transportes.
- 4.- Organización de contabilidad y estadística.
- 5.- Organización de existencias de vapor.
- 6.- Estudios de Biopelización y talleres Diesel.

Además de los experimentos formulados anteriormente por la Empresa Nacional de Ferrocarriles, el Gobierno de Bolivia solicita Expertos para el estudio de los transportes relacionados con la explotación y explotación.

El plan para la presentación de la solicitud de financiamiento de los Expertos mencionados a través del Fondo Especial de las Naciones Unidas fecha el 30 de los corrientes, por lo que instamos a esa Cancillería efectuar la gestión a la brevedad posible.

Finalmente, debemos recordar la promesa repetida de nuestro Gobierno de contar con el concurso financiero del Banco Mundial de Reconstrucción y Fomento.

////





REPÚBLICA DE BOLIVIA

MINISTERIO DE OBRAS PÚBLICAS Y COMUNICACIONES

Cite No. ....

- 2 -

través y fomento, para la rehabilitación y modernización de nuestro sistema ferroviario, siendo para este objeto necesaria la opinión de los Expertos solicitados.

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

"EL POR NOS PERTENECE POR DERECHO, RECUPERARLO F. UN DERECHO"



Working Party, Bolivia.

July 12, 1965

P.D. Assimakis

BOLIVIA - Railways

The Government of Bolivia has finally submitted a formal request to the United Nations Special Fund to obtain technical assistance financing for the rehabilitation of the Bolivian Railways (see attached documents).

The Working Party has now to consider:

- (a) whether the Bank is prepared to support the application of the Bolivian Government and in what way,
- (b) whether there are sufficient data available to draw up terms of reference and specifications for the survey under consideration.

The application is to be included in the UN Special Fund's Governing Council program of January 1966.

I propose a meeting to consider the above on July 14 at 10.00 a.m. in room 584.

Distribution: Messrs. Knox  
Sassoon  
Regling  
Dambski  
Koenig ✓  
Masoni/Div. Files (information only)

Attachments

PAssimakis/mj

Mr. Koenig

Room 841

REPUBLIC OF BOLIVIA  
MINISTRY OF FOREIGN RELATIONS

No. DG01-841-835/157

La Paz, June 25, 1965

Dear Mr. Pascoe,

The Ministry of Public Works and Communications has asked this Chancellery to contact your office with a view to obtaining U.N. assistance in financing the trip of the group of railroad experts requested from the International Bank for Reconstruction and Development in order to check on the implementation of the recommendations made in the "Sofrerail" Report and of other technical, economic and administrative measures put into effect by the Empresa Nacional de Ferrocarriles, in addition to the social and disciplinary measures adopted to improve public services in general.

The experts requested will also be giving assistance on the following subjects:

- 1) Personnel administration (Railroad Statute: Rationalization of personnel and wages).
- 2) Studies on fares and related matters.
- 3) Transport cost studies.
- 4) Organization of accounting methods and statistics.
- 5) Organization of steam locomotive machine shop.
- 6) Studies on dieselization and diesel workshops.

Finally, the Minister concerned has instructed me to emphasize how extremely important it is for the Bolivian Government to be able to rely on the financial assistance of the International Bank for Reconstruction and Development in refitting and modernizing the national railroad system, the opinion of the experts requested being absolutely essential if this object is to be achieved.

I should like to thank you in advance for giving your kind attention to this matter, and remain,

Yours very truly,

(sgd.)

ENRIQUE KEMPF MERCADO,  
Under-Secretary for  
Foreign Relations.

TRANSLATION SECTION 1029/65

Translated From: Spanish 7/9/65 By: RFW/jd





UNITED NATIONS  
TECHNICAL ASSISTANCE BOARD  
SPECIAL FUND

COLÓN 282  
6TH. FLOOR  
OF. 604

CASILLA 686  
TEL. 2394 - 3279

LA PAZ - BOLIVIA

Mr. Vincent J. Riley,  
Development Services Department,  
International Bank for Reconstruction  
and Development,  
WASHINGTON, D.C. - U.S.A.

With the compliments of the  
~~Acting~~ Deputy Resident Representative  
and ~~Acting~~ Deputy Director of Special  
Fund Programmes in Bolivia.

*Handwritten signature*

# OFFICE MEMORANDUM

TO: Mr. V. J. Riley

DATE: May 19, 1965

FROM: R. A. D. Loven

SUBJECT: Bolivian Railways

The following might be useful to UN/TAB as additional background information on the Technical Assistance for Bolivian Railways now under discussion.

Terms of reference, staffing and time requirements  
for a team of consultants to assist the Bolivian  
Railways' Management; training program for Bolivian  
Railway staff

### Terms of Reference

- i. Assist the Bolivian Railways' Management in implementing recommendations of the 1962 Sofrerail report, specifically those mentioned in the "Summary of the Main Recommendations," paragraph numbers 1 thru 8; 10 thru 12; 14 thru 25. (Attached)
- ii. Advise Management, on its request, on all other railway matters.
- iii. Assist Management in the composition of monthly progress reports to the Minister of Public Works.

### Staffing and Time Requirements of the Team of Consultants

The team of consultants should include experts in the following fields;

- a) Management, Organization and Operations (Chief)
- b) Staff Administration
- c) Workshops and Rolling Stock Maintenance
- d) Accounting and Statistics
- e) Traffic and Tariffs

The time requirements are shown below:

[illegible]



Mr. V. J. Riley

- 2 -

May 19, 1965

On request of Management the time period of one or more experts might be extended upon agreement between parties concerned. The cost is estimated at about U.S. \$150,000 including cost of living in Bolivia and \$25,000 for possible extension periods. In addition, the Railways would cover local currency expenditures for Bolivian staff, office facilities and transport within Bolivia. After return to its own country, the team of experts should write a final report on its findings in Bolivia, the progress achieved by the Railways, and the experts' conclusions and recommendations.

Training Abroad of Bolivian Railway Employees

In the amount of U.S. \$200,000 mentioned in my October 23, 1964 report, about \$50,000 was included for training abroad of Bolivian Railway employees. If and when UN/TAB decides to finance this Technical Assistance, the Railways' Management should, with the assistance of its advisers, prepare a proposal showing the names and functions of the staff, the period and country for the training envisaged, including an estimate of the foreign exchange cost for each trainee. After agreement on the proposal, the training program should be started as soon as funds can be made available for it.

I would also like to draw attention to paragraph 37, page 10 of my above-mentioned report, which says that it would be desirable for an agreement to be reached between the Government and the British companies with regard to the compensation to be paid by the Government for the British owned railways in Bolivia, before the Bank gets involved in this technical assistance.

RADLoven/nc

July 9

I discussed this with  
Mr. Schwab. I said we  
will discuss in Bank  
whether we will support  
+ help draw up request.  
He was wondering whether  
Preparatory Assistance Mission  
is needed. I said we would  
let him know whether  
we had enough information  
for to prepare request in Tokyo.  
him.

Schwab did not seem to  
be bothered that there  
was no mention of the  
broader overall transport  
moving.

N. G.



*file*

Files

June 25, 1965

V.J. Riley

Bolivian Railroads

Mr. Ormachea, of the Bolivian Embassy, called me today regarding a cable he had received from his Minister of Public Works. The cable asked if the Bank were going to send a "mission of experts" to Bolivia to assess the work that had been done by the Government in carrying out the recommendations of the Sofrerail mission regarding consolidation of the railroads. I advised Mr. Ormachea that I knew nothing about this and wasn't the one to make the decision anyhow. What seemed to concern Mr. Ormachea, however, was whether the absence of such a mission would have a detrimental effect on the application which they plan to submit to the Special Fund for a transportation study, including assistance to the railroads. I advised Mr. Ormachea that I could not see any such detrimental effects, and would not recommend delaying submission of the Special Fund's request until this matter were sorted out. I would suggest, however, that they include in the background section of their request whatever statements might be appropriate regarding the actions that have been taken by the Government to carry out the Sofrerail recommendations.

VJRiley:fph

cc: Mr. Knox - Western Hemisphere Dept.  
Mr. Main/Regling - Projects Dept.

Files

May 26, 1965

A. David Knox

BOLIVIA - Railways

I called Mr. Dentzer of US/AID on May 26, 1965 to discuss the U.S. position towards Bolivia and particularly its effect on possible technical assistance to the railways. Mr. Dentzer confirmed that despite the present upheavals in Bolivia, the U.S. Government has decided to continue its aid program in that country. I told him that my understanding of the situation was that there was just a possibility that the United Nations Special Fund might finance the proposed transport study and the management consultants sought by the Bolivian Government if there was some assurance of continuing U.S. aid to Bolivia. Mr. Dentzer told me that almost certainly the UN representative in La Paz would have been told by now that the U.S. Government was continuing its activities.

We then discussed what steps might be taken to stimulate action by the Bolivian Government in preparing a formal application to the Special Fund. I told Mr. Dentzer that the Bank would be willing to help in the preparation of such an application. He said he was somewhat doubtful whether it would be possible to get the Bolivian Government to focus on this problem just at present, but he would ask the AID mission in La Paz to try to stimulate action by the Government. They might get the Government to send someone to Washington to discuss an application with the Bank or instruct the Embassy to do so. I told Mr. Dentzer we would now wait and see what results flowed from this U.S. initiative.

I would suggest that if there are no further developments on this by, say, June 7, we should contact the Bolivian Embassy. The Minister Counselor, Mr. Hector Ormachea, has told us that he is anxious to cooperate with the Bank.

cc: Mr. Riley ✓  
Mr. Loven  
Mr. Roulet  
Mr. Keltie  
Mr. Masoni/Mr. Assimakis

ADKnox/mv





## NACIONES UNIDAS

Edificio Cía. Boliviana de Seguros

Calle Colón No. 282, 6º. piso

LA PAZ - BOLIVIA

JUNTA DE ASISTENCIA TECNICA

Cables: "UNATIONS"

FONDO ESPECIAL

Cables: "UNATIONS"

CENTRO DE INFORMACION

Cables: "OMNIPRESS"

Teléfonos: 22394 - 23279

Dirección Postal: Casilla 686

File No. 1-4-04 / 2157  
1-16-03

La Paz, 20th. May 1965

Dear Mr. Riley,

Thank you for writing to me so promptly about the Bolivian railways on your return to Washington. For my part, I must apologize for not having been equally prompt in replying but I think I can claim to be even busier than you are ! - I leave in two weeks, my Deputy is on leave, and the events here of the past few days have hardly helped.

I am most grateful to you for sending me a copy of Mr. Loven's review of the Bolivian railways situation, which I have read with interest. I have noted that it is marked restricted and for my personal use only, but feel sure that you will have no objection to my showing it to my Deputy, Mr. Juan Pascoe S., on his return, since he will be appointed Acting Resident Representative after my departure and until such time as my successor is appointed.

I have heard nothing from the United States Ambassador here but this is hardly surprising in view of the emergency situation which has prevailed here over the last week or so and which has, moreover, made it impossible to obtain any decision from the Military Junta on economic matters.

.....

I am sending you, under cover of this letter, a copy of a letter I have today written to Mr. Myer Cohen of the Special Fund as this describes a conversation I had with the Foreign Minister immediately after my return on the basis of the meeting in Mexico. I am sure that you

---

Mr. Vincent J. Riley  
Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N. W.  
Washington D.C. 20433  
U. S. A.



## NACIONES UNIDAS

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Cables: "OMNIPRESS"

File No.

- 2 -

Teléfonos: 22394 - 23279  
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will be interested to see that the idea of a general transport survey has given rise to a very definite echo here.

I shall of course let you know of any further developments with regard to the railways or with regard to the transport survey, which transpire before my departure, tentatively fixed for 2nd. or 3rd. June. If all goes according to plan, I expect to be about ten days in New York from around 10th. June on and hope to be able to visit Washington for a day or so. I shall look forward to meeting you again then.

Incidentally, you may be amused to know that in recent days I have quite inadvertently and without malice aforethought, got my own back on the Bank for the occasions on which they have not informed me of their missions here. I gather that certain people have been roused to fury by the fact that I received earlier notice of the arrival date here of a FAO/IBRD livestock mission and that it was I who generously passed on the information to Washington by cable ! This was merely because one of the members of the mission happens to be an old friend and old expert of mine but I would be less than human had I not derived some smug satisfaction from the incident !

Looking forward to seeing you again shortly, I am,

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Joan Anstee".

M. J. Anstee  
Resident Representative of the  
Technical Assistance Board and Director of  
Special Fund Programmes in Bolivia

cc: Mr. Knox

Original to files 5/28/65



1-4-01/  
1-16-03/ 2156

20th May 1963

Dear Myer,

You will remember that point 1 of the summary prepared of our meeting on Special Fund projects in Bolivia held in Mexico on 24th April envisaged three possibilities for Special Fund aid to the Bolivian railways. Point (b), referring to a possible study on costs on the Bolivian-Chilean railways, emanated from a suggestion made by the Foreign Minister during Paul-Marc Henry's visit. As agreed in the meeting, on my return here, I spoke personally to the Bolivian Foreign Minister and conveyed to him our feeling that the next step is for the Bolivian authorities to present a formal request, on receipt of which the Special Fund could use its good offices to obtain a similar request from the Chilean Government. In the course of the conversation, I mentioned to the Minister that the possibility of an overall study of all forms of transportation in Bolivia had been mentioned, possibly as a result of the forthcoming EPTA expert mission on comparative costs of different forms of transport in Bolivia. The Minister expressed great interest in this latter suggestion and has taken up this possibility with the Ministers of Planning and Public Works and Communications, as you will see from the enclosed copies of his letters Nos. 531 and 532 of 10th May.

I will certainly keep you informed of further developments on this matter between now and my departure. Incidentally, I am sending a copy of this letter to Adriano Garcia in Chile and to Mr. Riley in the International Bank for Reconstruction and Development, who meanwhile has kindly sent me a copy of Mr. Loven's review of the Bolivian railways' situation.

Yours sincerely,

M. J. Anstee  
Director of Special Fund  
Programmes in Bolivia

Mr. Myer Cohen, Director  
Bureau of Operations  
UN Special Fund  
UNITED NATIONS, NEW YORK.-

cc. Mr. Garcia, Chile  
Mr. Riley, IBRD

May 7, 1965

Miss Joan Anstee  
U.N. Resident Representative of the  
Technical Assistance Board and  
Director of Special Fund Programmes  
in Bolivia  
Casilla 686  
La Paz, Bolivia

Dear Miss Anstee:

There was a variety of things requiring action when I returned to Washington last week, but none took precedence over following up on the Bolivian railways situation. Actually my colleagues here were most encouraged, and look upon the list of requirements and preconditions for Special Fund consideration of assistance to the railways as somewhat of a challenge.

Obviously, as you noted in your summary, the first requirement is a notice of the intention of the U.S. Government to continue its financing. We have passed this information on to AID Headquarters here and have been advised that the U.S. Government intends to follow such a course, and will be in communication with the Ambassador in La Paz regarding this matter. I hope that you will be hearing from him soon.

In the meantime, I have obtained a copy of Mr. Loven's review of the Bolivian railways situation and you will find it enclosed.

I am sure no one is more aware than you of the problems confronting the Bolivian railways, and of the assistance they require. Nevertheless, if the obstacles that exist can be overcome, and they are many, it may be possible to make a very tangible impact on the situation. The full assistance of your office will be required, and I trust that despite the Bank's past shortcomings in this respect, you will give us your helping hand.

In concluding, let me refer to the meeting in Mexico City and thank you for the part you played in making it a valuable and productive exercise. I trust that your plans for the future are working out and that before too much longer we will have the opportunity to see you here in Washington.

Yours sincerely,

Vincent J. Riley  
Development Services Department

VJRiley:fph

cc: Mr. Weiner - Western Hemisphere Dept



FINANCE  
ON

# OFFICE MEMORANDUM

TO: Mr. V. J. Riley

DATE: May 19, 1965

FROM: R. A. D. Loven

SUBJECT: Bolivian Railways

The following might be useful to UN/TAB as additional background information on the Technical Assistance for Bolivian Railways now under discussion.

Terms of reference, staffing and time requirements  
for a team of consultants to assist the Bolivian  
Railways' Management; training program for Bolivian  
Railway staff

## Terms of Reference

- i. Assist the Bolivian Railways' Management in implementing recommendations of the 1962 Sofrerail report, specifically those mentioned in the "Summary of the Main Recommendations," paragraph numbers 1 thru 8; 10 thru 12; 14 thru 25. (Attached)
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## Staffing and Time Requirements of the Team of Consultants

The team of consultants should include experts in the following fields:

- a) Management, Organization and Operations (Chief)
- b) Staff Administration
- c) Workshops and Rolling Stock Maintenance
- d) Accounting and Statistics
- e) Traffic and Tariffs

The time requirements are shown below:

[illegible]

May 19, 1965

On request of Management the time period of one or more experts might be extended upon agreement between parties concerned. The cost is estimated at about U.S. \$150,000 including cost of living in Bolivia and \$25,000 for possible extension periods. In addition, the Railways would cover local currency expenditures for Bolivian staff, office facilities and transport within Bolivia. After return to its own country, the team of experts should write a final report on its findings in Bolivia, the progress achieved by the Railways, and the experts' conclusions and recommendations.

#### Training Abroad of Bolivian Railway Employees

In the amount of U.S. \$200,000 mentioned in my October 23, 1964 report, about \$50,000 was included for training abroad of Bolivian Railway employees. If and when UN/TAB decides to finance this Technical Assistance, the Railways' Management should, with the assistance of its advisers, prepare a proposal showing the names and functions of the staff, the period and country for the training envisaged, including an estimate of the foreign exchange cost for each trainee. After agreement on the proposal, the training program should be started as soon as funds can be made available for it.

I would also like to draw attention to paragraph 37, page 10 of my above-mentioned report, which says that it would be desirable for an agreement to be reached between the Government and the British companies with regard to the compensation to be paid by the Government for the British owned railways in Bolivia, before the Bank gets involved in this technical assistance.

RADLoven/nc



## SUMMARY OF THE MAIN RECOMMENDATIONS

### of the 1962 Sofrerail Report

#### 1. Administrative Structure and Management Methods

1. Centralize the management and the administration of the Western Railway System and give it the structure of an integrated industrial enterprise.
2. Set up an Advisory Committee of the National Railways. Its members would be representatives of the departments involved, Chambers of Commerce and Industry, main users and staff.
3. Reorganize the General Management with three Departments and nine Divisions and reconstruct their internal organization.
4. Suppress the District Headquarters of the present Operating Department and set up 'Inspections' in the major centers, reporting directly to the three Departments. The function of the Inspections would be essentially technical.
5. Create a post of Chief Inspector in each Inspection Headquarters, directly responsible to the General Management. He would be a liaison officer between the General Management and local communities and would ensure the technical co-ordination of the various departments.
6. Introduce new management methods and centralize all matters of supplies, statistics and accountancy at the General Management Head Office.
7. Lay down Railway Staff Statutory Regulations and set up a centralized Staff Division.
8. Introduce cost accounting methods.

#### 2. Prospective Integrated Railway System

10. Survey the legal and administrative problems raised by the integration of the FCMU and draw up the economic and financial balance of the operation.
11. Discontinue the operation of the LA PAZ-BENI line.
12. Dismantle the FCALP's track between EL ALTO and VIACHA.

### 3. Tariff and Commercial Policy

14. Investigate claims formulated by railway users and improve the technical transport conditions.
15. Delegate a traffic representative of the Bolivian Railways to ANTOFAGASTA and ARICA.
16. Undertake tariff studies, with the assistance of an expert, taking into account the costs and tariff level of competitors.

### 4. Civil Engineering

17. Remove progressively the earth ballast covering up sleepers when top-level is dealt with.
18. Place immediate orders for the track equipment needed for running safety (switches and crossings, sleeper fittings, minor track equipment).
19. Introduce a cyclical organization of the maintenance of the permanent way.

### 5. Mechanical Engineering

20. Set up a close collaboration between the General Management and the Directors deputed by the FCAB and BRC as regards power running. Do away with the practice of changing engines at the frontier station of each railway.
21. Side-track freight cars with the poorest loading characteristics and temporarily postpone some repairs on car bodies.
22. Reorganize the maintenance of the fleet. Centralize major overhauls of steam locomotives at UYUNI shop and the maintenance of rolling stock at VIACHA shop.
23. Work out a rehabilitation program for the whole Western System.
24. Lay down the maintenance process according to repetitive cycles. Schedule yearly maintenance programs, streamline the organization of shops and ascertain shops' costs.
25. Modernize Shops' tool equipment.



Files

April 26, 1965

Mervyn L. Weiner

Bolivian Railroads

Mr. Reilly, Alternate Executive Director for the U.K., telephoned me this morning to inquire about the status of the Bolivian request for Bank technical assistance for the railroads. He has been calling me intermittently on this same matter for several months, in response to requests for information from the British Embassy in La Paz and from London, both sources being concerned about the serious consequences of the collapse of the Bolivian railroads which might ensue if provision for continued management assistance is not made soon.

I told Mr. Reilly that we had just within the past ten days received confirmation that United Nations technical assistance funds would not be available for the proposed management assistance and that we are therefore now considering actively what alternative proposals might be made. I recalled to Mr. Reilly that we felt that provision for management assistance would have to be assured before the longer term transport sector study could be justified.

Mr. Reilly expressed thanks for this information and asked that he be kept informed of any significant further developments in this matter.

cc: Messrs. Loven  
Riley ✓  
Sassoon  
Knox

MLWeiner/mcw

UNITED NATIONS



NATIONS UNIES

NEW YORK

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REFERENCE:

TE 311/1 BOLI

14 April 1965

Dear Mr. Riley,

I refer to my letter of 9 March 1965 and yesterday's telephone conversation on the subject of the Bolivian railways. After consultations with our Resources and Transport Division, we would like to transmit to you the following comments.

From your statement that the five British management experts have left Bolivia, we understand that the British firms have withdrawn their offer to supply five officers for a duration of one year. The problem at hand is therefore to recruit appropriate experts for an adequate duration, and to find the means of financing the experts' services.

It seems clear that the logical outfit to provide experts in the absence of the British team is Sofrerail. As to financial assistance, we believe the Bolivian Government should seek it from AID. This agency was already prepared to finance the services of the British experts notwithstanding some reservations regarding a possible conflict of interests. The fact that a condition of this financing was that the experts should begin to implement the Sofrerail recommendations demonstrates the high regard of AID for the work of Sofrerail. Therefore, we would assume that the most expedient means of securing funds for the project would be from AID.

The proposal of utilizing UN experts under our technical co-operation programme would entail a number of questions because such personnel, even if carefully recruited, could not conceivably provide the insight of either the British or Sofrerail teams backed by an extensive prior association with the problem. The financial implications of the scheme also would make the approval of such a project unlikely at this time.

.../...

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



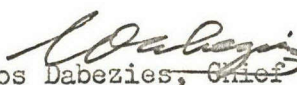


- 2 -

As we have stated in earlier correspondence, the nature of the proposal gives reasons to believe that the project could be handled by the Special Fund, on a pre-investment basis. This alternative could be explored through a formal request to the Special Fund from the Bolivian Government. I understand that the IBRD has already been the Executing Agency in a project involving the Argentine railroads.

I shall keep in touch with the Special Fund on this matter and will continue to seek ways to meet the needs of the Bolivian Government in the above field.

Yours sincerely,

  
Carlos Dabezies, ~~Chief~~

Section for Latin America

Bureau of Technical Assistance Operations

Bolivia Working Party on Transport Survey

March 26, 1965

Mervyn L. Weiner

Draft Terms of Reference

You will recall that the Projects Department had agreed, earlier this year, to prepare draft terms of reference for a transport survey in Bolivia to be carried out eventually under the auspices of the U.N. Special Fund, or possibly the Bank if the Special Fund cannot undertake this. I have just received the attached draft terms of reference from Mr. Loven and circulate it for your information and comment.

The status of the survey is still somewhat in doubt, since we do not yet have a definitive reply from the U.N. Special Fund indicating whether or not they can take this in hand. A representative of UNSF will be visiting representatives of the Bolivian Government in La Paz this month on this matter and, only after we hear the results of this visit, will we be in a position to know what, if any, recommendation we should consider making to the Bank in regard to this study and the technical assistance to the railroads.

In these circumstances, I suggest there is no point in having a meeting at this time. Would you therefore kindly communicate to me in writing by April 16 your comments on the attached. I will let you know as soon as we have heard further about the attitude of the UNSF.

cc: Mr. Loven, Projects Department  
Mr. Roulet, Legal Department  
Mr. Dambski, Treasurer's  
Mr. Riley, Development Services ✓  
Mr. Knox o/r

MLWeiner/mcw



3/23/65

## BOLIVIA : TRANSPORT SURVEY

1. The Bolivian Government and the Bank have agreed on the need for a coordinated transportation program for Bolivia. This program would be used as a basis for Government decisions on transportation investment and policy, and for seeking foreign financing for it. To this end, a survey will be undertaken of transportation in Bolivia, to be carried out by a group of foreign consultants (hereafter called "the consultants") with the cooperation of a group of Bolivian officials. The program emerging from the survey will be considered by a Government-appointed committee, under the chairmanship of the Minister of Public Works, with a view to putting the transportation program into effect.

### Terms of Reference

2. The purpose of the survey is:

- a) to prepare a coordinated program for investment in highways, railways, and airports indicating the priorities of specific projects in each sector and preliminary estimates of their costs and benefits; the program and priorities should be in detail for investments to be made in the period 1967-71 and, in more general terms, for the period 1972-77;
- b) to specify needed improvements in the organization, operation and administration of each sector;
- c) to advise on the measures that should be taken to assure continued sound transportation planning in the future;
- d) to make recommendations for the regulation of rail, road and air transport.

### Report of Survey

3. The consultants will present a draft report by the end of six months, and a final report within four months thereafter. Interim reports will be presented as rapidly as they are ready, with priority in time being given to recommendations requiring budgetary action.

4. In preparing this report, the consultants will take account of:

- a) forecasts of growth in all economic sectors, government policy with respect to development of these sectors (particularly of agricultural and mining) and the volume of traffic which such development will generate;
- b) allocation of traffic to the transport mode which can carry it most economically;

- c) the technical capacity of government departments and agencies and availability of labor to carry out each part of the investment program;
- d) financial resources available for investment in transport facilities;
- e) the present, and future growth of, and competition among, the various transport sectors;
- f) the necessity of securing higher factors of utilization of existing means of transport.

5. In the highway sector, the report will include:

- a) priorities for investment in trunk and secondary roads, and for penetration roads in regions where development would require their construction;
- b) recommendations on improvements, at all levels, in the organization and administration of road planning, construction and maintenance;
- c) recommendations on means of financing construction and maintenance, with particular reference to direct and indirect taxes on highway transport;
- d) requirements of road transportation vehicles, taking into account the road capacities and the foreign exchange availability.

6. The consultants will co-operate with the Highway Department of the Ministry of Public Works in preparing the information necessary to the execution of this survey.

7. With respect to the railways, the report will include:

- a) priorities for investments, and recommendations as to which investments (i) should be made immediately and (ii) require further study before decisions can be made;
- b) recommendations for the discontinuance of uneconomic services and abandonment of lines on which foreseeable traffic is insufficient to justify continued operation.



### Organization of Survey

8. The survey will be conducted by a firm or group of firms to be retained by the Government for the purpose. The firm(s) will be responsible for providing the necessary non-Bolivian personnel, and the Technical Director to head the group. The list of foreign experts required for this survey is set forth in Appendix I. The contract(s) between the Government and the consultants will be subject to approval by the Bank. A two-man Steering Committee, consisting of a representative of Bolivia (nominated by the Minister of Public Works) and a representative of the World Bank, which would meet at regular intervals of time during the survey, would have responsibility for the general guidance and supervision of the consultants' work, including arranging for liaison between the consultants and public and private entities, and U.S. AID. Work plans and schedules will be determined in consultation with the Steering Committee and preliminary drafts and tentative recommendations will be made available to the members of the Committee for their comments and suggestions. The Steering Committee and the Director shall consult as to what interim reports shall be presented by the consultants.

9. The Bolivian representative on the Steering Committee will organize and be in charge of a group of Bolivians who will act as counterparts to the foreign experts, to facilitate their work, particularly with respect to obtaining data and existing studies and of making contacts with government departments and agencies.

### Financing

10. The Bank (or the U.N. - see paragraph 11) would finance the foreign exchange costs of the technical assistance, including salaries of the foreign experts, transport to and from Bolivia, per diem outside Bolivia and any specialized equipment not readily available in Bolivia. The Government would finance all local expenses for the consultants, including subsistence and official transport in Bolivia. It would also provide interpreters, clerical personnel, and office space and equipment. The foreign exchange cost might amount to about US\$600,000.

11. Since it is the Bank's policy to give the UNSF the right to first refusal in assistance of this type, the Fund should be approached to ascertain its interest in this project and any problems which U.N. financing might raise.

March 23, 1965.

cc: Mr. Weiner (6)  
Mr. Main  
Mr. Gabriel       )  
Mr. Adler         ) for information  
Mr. Regling       )  
  
RADLoven:ns  
Bank

APPENDIX I

CONSULTANTS REQUIRED FOR TRANSPORT  
SURVEY

- 1 Technical Director, Chief of Mission
- 1 General Economist
- 1 Transportation Economist
- 1 Agricultural Economist
- 1 Industrial Economist

Highways

- 1 Highway Engineer
- 1 Highway Transport Expert  
(Truck and bus operations, licensing, etc.)

Railways

- 1 Expert with managerial experience
- 1 Accounting and Statistics Specialist

Airways

- 1 Aviation Specialist

|                                                         |                  |
|---------------------------------------------------------|------------------|
| Total = 10 experts, 10 months each at \$5,000 per month | \$500,000        |
| Miscellaneous                                           | <u>100,000</u>   |
| Total                                                   | <u>\$600,000</u> |



Files

March 31, 1965

V. J. Riley

Bolivian Railways

I spoke this morning to Paul-Marc Henry regarding his discussions on Bolivian railways during his recent trip to La Paz. He had available to him the Loven Report which we previously had sent to the United Nations.

In La Paz he spoke to the U.N. Resident Representative and to the American Ambassador, but not to anyone in the Government, on this project. The Resident Representative had no knowledge on the subject. The American Ambassador indicated that because of past difficulties, particularly of a political nature, in regard to administration of USAID, the US Government was not disposed to finance this program. They did, however, welcome some kind of move to improve the situation of the Bolivian railways.

The British team of management experts had left La Paz, as we already knew, but Mr. Henry found some question as to their effectiveness while there.

As to the future role of the Special Fund, Mr. Henry noted that this was not the normal pre-investment request that the Special Fund undertook, particularly to the extent that it involves the provision of management service. However, the Special Fund had an interest in the transport survey aspects and mentioned the possibility of providing, jointly with the Bank, the services of one management consultant. He did not explain exactly what he had in mind, but said he would provide a written note to us shortly. He also said the US Ambassador would be sending a note of the discussions to the State Department.

VJR:fph

cc Mr. Weiner

cc Weiner  
Riley  
File

UNITED NATIONS  NATIONS UNIES  
NEW YORK

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REFERENCE:

TE 311/1 BOLI

9 March 1965

Dear Mr. Riley,

I refer to your letter of February 1, 1965, transmitting a copy of the International Bank's report on the Bolivian railways, with apologies for our delay in replying.

Any possible United Nations participation in assisting the Bolivian railroads would be limited by our financial position at present, so it would be difficult for us to consider any addition to the Bolivian programme.

We have forwarded your report to the substantive division concerned and expect their comments momentarily. Our initial reaction is that full implementation of the consulting firm's recommendations under United Nations auspices would involve a request to the Special Fund. We shall write you again as soon as we have received the views of our colleagues.

Very sincerely yours,

  
Carlos Dabezies, Chief  
Section for Latin America  
Bureau of Technical Assistance Operations

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



Mr. David L. Gordon

March 11, 1965

V.J. Riley

Discussions with Mr. Myer Cohen

Bolivia Railways

In accordance with our conversation the following information regarding technical assistance to Bolivia is set out.

In July 1964, US Ambassador Henderson visited Mr. Alter to make a general plea for technical assistance to Bolivia, (1) general technical planning (2) the reorganization and improvement of the Bolivian railroads along the lines recommended by the Bank-sponsored 1962 "Sofrerail Mission." This note concerns the second of these requests.

The assistance to the railroads has two parts. The first, as then proposed, would consist of providing about US\$200,000 to pay for a team of about five foreign experts for about one year, to advise the management of the recently established western railroad system in consolidating and improving what were until several months ago two separate railroads.

The second phase of the technical assistance proposed would take the form of a general transport study. Once reorganized, the western railroad system would have to be rehabilitated--this would in the first instance require extensive closing down of redundant lines rather than major new investment expenditures. The definition of such a rehabilitation program would first require an indication of Bolivia's overall transport needs and how the rehabilitated railroad system could best help satisfy these needs.

There was some feeling in the working party that while the Bank might consider doing, on its own or through the Special Fund, the general transport study, the management experts probably should come from another source. In this regard, I approached UNCTAD more than a month ago but have not yet had a response. We now understand however that this response will probably be negative.

In the meantime, we received, on February 9, a letter signed by the Minister of Public Works and delivered by the Minister of Economy for assistance in the reorganization of the railroad. Specialists were requested in the following fields:

- a) in administration of personnel
- b) in tariff and related studies
- c) in revision of costs
- d) in organization of accounting and statistics
- e) in organization of locomotive shops
- f) in studies of future dieselization, diesel workshops, etc.

In the view of the Government, this assistance ought to be for a period of not less than two years.

Mr. Gordon

March 11, 1965

It would be appreciated if you could explore with Mr. Cohen the possibility of the Special Fund providing assistance along these lines, either separately or in conjunction with the general transport study.

Resident Representatives Meeting

You may also wish to raise with Mr. Cohen the possibility of our being invited to send someone, as an observer or otherwise, to the meeting of the UN Resident Representatives for Latin America which is scheduled to begin April 21 in Mexico City.

VJR:fph

cc: Files



*File*

March 1, 1965

*Bolivia Rays*

Dear Mr. Minister:

I take pleasure in acknowledging receipt of your letter No. G-3-0276 of February 9, 1965, addressed to the President of the International Bank for Reconstruction and Development, requesting this Bank's assistance in obtaining advisory services for the reorganization of the Empresa Nacional de Ferrocarriles.

As you know, Mr. Minister, we have been following closely and with interest developments in the Bolivian railroads ever since we helped Bolivia obtain the services of the Sofrerail advisory mission. Since we feel, as you do, that the reorganization and rationalization of the Bolivian railroads is of great importance for the efficient future development of the Bolivian economy, we have on our own initiative been exploring for some while how we might help the Bolivian Government to obtain the financial assistance needed to contract for the services of the advisory mission to which you refer. We have explained the status of these efforts to the Minister of Economy, Col. Sanjines, who so kindly delivered your letter to us, and will be in touch with you again shortly on this matter, as soon as we have something further to report.

Sincerely yours,

Gerald Alter  
Director  
Western Hemisphere Department

Enl. DDM. Sigfredo Montero Velasco  
Ministro de Obras Publicas y Comunicaciones  
Ministerio de Obras Publicas y Comunicaciones  
La Paz, Bolivia

Cleared with and cc: Mr. Loven  
MLWeiner/mv cc: Mr. Wishart  
Mr. Riley

fil

AIDE-MEMOIRE

BOLIVIA - Status of Matters Pending

ENDE Power Project

On February 22, 1965 we received a letter from Ing. Capriles, General Manager of ENDE, indicating that the Supreme Resolution legalizing the status of ENDE as a Sociedad Anonima was issued on February 4, 1965, and that a stockholders' meeting would be called shortly in order to put the charter and bylaws of ENDE into effect and to elect the board members. We await receipt of copies of the relevant documents, including the minutes of the stockholders' meeting when it takes place.

The letter of Ing. Capriles also requests IDA's comments about the intention to name Col. Enrique Vargas, President of CNF as President of ENDE. Comments are being formulated and will be airmailed within the next few days.

Cattle Development Program

We have reviewed the material received through Mr. Haus-Solis from Bolivia, and have concluded that a mission to assist in the preparation of a cattle development program would be justified, but that such a mission should consist of several experts - cattle raising, farm credit, marketing - at the minimum if the various aspects of a program as important and complicated as that proposed are to be developed properly. We also feel that such a mission should not plan to arrive in Bolivia before Mr. Percival Bono of FAO, who has worked so closely with the Bolivian authorities in the development of the material to date, would be available to work with the mission. Since Mr. Bono is not expected to return from his assignment in Colombia before April, and since it will in any event take some time to recruit the other experts needed, May 1965 would be the earliest possible period for such a mission to plan to visit Bolivia. Recruiting problems may, of course, introduce some slight additional delay. We shall keep Mr. Haus-Solis informed of the progress in this matter.

Railways

We have received the request of February 9, 1965, signed by the Minister of Public Works and delivered by the Minister of Economy, for assistance in the reorganization of the Empresa Nacional de Ferrocarriles.

.....



The Minister of Economy was informed that we are exploring actively with the Technical Assistance Office of the United Nations the possibility of having this office finance the advisory team requested. We are aware of the urgency of this matter and are endeavoring to help Bolivia obtain the needed railroad advisors with the minimum of delay.

Washington, D.C.

February 24, 1965

"Prepared for Minister of Economy Col. Sanjines at his request, and delivered to Minister through Mr. Haus-Solis"

Cleared with: Mr. Alter

Cleared with and cc: Messrs. Sear, McMeekan, Riley  
cc: Mr. Haus-Solis

MLWeiner/mv

Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOP

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

Febr. 26, 65

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

M. L. Weiner





REPUBLICA DE BOLIVIA

MINISTERIO DE OBRAS PUBLICAS Y COMUNICACIONES

Delivered to Welner by  
Minister of Economy Col. Sanjinés  
2-19-65. W Riley

Cite No. 0-3-0276

La Paz, 9 de febrero de 1.965.

Al señor  
PRESIDENTE DEL BANCO DE RECONSTRUCCION Y FOMENTO  
Washington.-

Señor Presidente:

Corroborando las gestiones realizadas anteriormente para conseguir la cooperación de la Entidad que usted representa en favor de la reconstrucción de los servicios ferroviarios de mi país, actualmente unificados bajo la dependencia de la Empresa Nacional de Ferrocarriles, creada por el Decreto Supremo Nº 06909 de 6 de octubre de 1.964, y en atención a que el señor Ministro de Economía, Coronel D. Julio Sanjinés Goytia está viajando en representación de la H. Junta Militar de Gobierno para gestionar la financiación de los recursos económicos, técnicos y administrativos para la rehabilitación de la citada Empresa, me permito puntualizar concretamente los puntos de vista del Gobierno de Bolivia en las siguientes formas:

1.- La H. Junta Militar de Gobierno ha resuelto y está determinada a resolver el problema ferroviario, en el lapso más breve posible, porque se trata de un servicio público indispensable no solamente para el intercambio de productos interdepartamentales, sino también para fomentar la industrialización del país y en especial para cooperar en el transporte de minerales hacia el exterior, desde todos los puntos de producción.

2.- La H. Junta Militar de Gobierno, con el propósito de encontrar la recuperación del servicio público ferroviario, actualmente está poniendo en ejecución todas las recomendaciones del plan "SOFRERAIL" y por este motivo a partir del 1º de noviembre, hemos realizado la unificación de todos los ferrocarriles de la Red Occidental

//..





REPUBLICA DE BOLIVIA

MINISTERIO DE OBRAS PUBLICAS Y COMUNICACIONES

Cite No. .... - 2 -

bajo una sola administración, con el fin de evitar las diversificaciones programáticas que tenía cada Empresa y también para disminuir los costos de explotación, con lo cual conseguiremos una sola administración con un ahorro de gastos de personal, tracción, vía y obras, aparte de que todo el material de que dispone las diferentes empresas, ahora unificadas, estarán al servicio general del país.

3.- De acuerdo con el plan de reunificación y las necesidades de organización de la Empresa Nacional de Ferrocarriles, está entidad para llevar adelante sus finalidades necesita un grupo de asesores técnicos en los principales cargos de administración y explotación. Es por ello que la H. Junta Militar de Gobierno, por mi intermedio, insinúa a usted organizar y financiar un grupo de personal idóneo capaz, no solamente de sugerir la conveniencia de un plan administrativo, sino también de proponer un plan de financiación, de manera que las inversiones que se efectúen en el país para la recuperación ferroviaria sea también una verdadera empresa industrial que llegue a cubrir sus créditos con sus respectivos intereses, de manera que no sea la industria ferroviaria una entidad solamente subvencionada, sino también una empresa que pueda desarrollarse en el futuro.

4.- De acuerdo a la anterior exposición me permito requerir de su autoridad la organización del grupo técnico integrada por seis expertos en las siguientes especialidades:

- a) En administración de personal, (Estatuto de la Empresa Nacional de Ferrocarriles, Racionalización de Personal y Salarios).
- b) En Estudios Tarifarios y Conexos.
- c) En Revisión de Precios de Costos.
- d) En Organización de Contabilidad y Estadística.
- e) En Organización en Maestranzas a Vapor.

///...





REPUBLICA DE BOLIVIA

MINISTERIO DE OBRAS PUBLICAS Y COMUNICACIONES

Cite No. .... 3 -

f) En Estudios de Dieselización Futura,  
Talleres Diesel, etc.

5.- La dotación de estos asesores técnicos deberá comprender un período no menos de dos años y durante el segundo año un entrenamiento adicional de técnicos bolivianos en el extranjero. Esto sería con el propósito de conseguir un autoabastecimiento del personal ferroviario propio de las entidades que componen la Empresa Nacional de Ferrocarriles, a fin de procurar en lo futuro disminuir un costo de haberes pagables a elementos extranjeros.

El señor Ministro de Economía lleva todas las instrucciones de la H. Junta Militar de Gobierno, a la que represento dentro de las actividades peculiares de las comunicaciones y como cuenta con el apoyo unánime del Gabinete en pleno, expondrá a usted todas nuestras necesidades en esta materia y podrá salvar también cualquier observación que ustedes pudieran hacer a este plan de recuperación ferroviaria.

Con este motivo, me suscribo a usted muy  
atentamente.

  
Cnl. M. Sigfredo Montero Velasco  
Ministro de Obras Públicas  
y Comunicaciones

cc: Mineconomía  
cc: Empresa Nal.FF.CC.



*file*

February 1, 1965

Mr. Carlos Dabezies  
Bureau of Technical  
Assistance Operations  
Chief, Latin American Section  
United Nations Special Fund  
New York, N.Y.

Dear Mr. Dabezies,

In accordance with our conversation last Friday, I am attaching a copy of the Bank's report on Bolivian Railways.

We now understand that the five British management experts who are referred to in the report have now completed their tour of duty and left Bolivia. Thus the Government is presently without assistance at this critical time.

After you have an opportunity to review this report, we would appreciate hearing from you further regarding the possibility, if a proper application were received from the Government, of providing the management assistance required. If such a possibility exists, we would also appreciate your views on the possibility of engaging Soferail to provide a group of experts for this purpose. This, too, is discussed further in the report.

Sincerely yours,

Vincent J. Riley  
Development Services Department

VJR: fph

cc: Messrs. Nelson  
Main  
Liles

Advise Ed Coy (Bolivia Dist. 41D)  
Code 182 x 8533  
When reply is received.



## OFFICE MEMORANDUM

TO: Messrs. Riley, Geolot/Loven, Dambski, Sassoon

DATE: January 22, 1965

FROM: Mervyn L. Weiner *W*SUBJECT: BOLIVIA - Technical Assistance

This is to inform you that Mr. Knapp has agreed in full to the recommendations of the Working Party, as summarized in my memorandum of January 13, 1965. We should, accordingly, now proceed to implement them:

DSD will now inquire of the UN/TAB whether \$200,000 can be provided for the recommended Sofrerail management advisors. I would recommend that copy of Loven's October 23, 1964 report on the Bolivian railroads be attached for background information. Reference might be made, if deemed appropriate, to my telephone conversation about two months ago with the Chief of the Latin American Section of UN/TAB on this matter. He said at that time that there was no reason in principle why such assistance could not be provided and that he would appreciate any background material we could send him on this matter.

TOD will now draft terms of reference, staffing and time requirements, etc. for the proposed transport study and circulate these for comment by the Working Party before the end of February.

By the time you receive this memo, I will have telephoned Mr. Dentzer of the U.S./AID to tell him of the approaches we are now making to the Special Fund and our intention to make the initiation of a transport study conditional upon evidence of implementation of the first phase of the railroad reorganization program. I would also make clear to him that the proposed timing, if all goes well, would have a transport study mission in the field early in 1966.

cc: Messrs. Schmidt, Nelson

MLWeiner/mv

*2114*  
*Costas Sahagún UNTA*  
*Jose Galvan UNTAB*  
*2645*

Mr. Roger A. Chaufournier

January 13, 1965

Mervyn L. Weiner

BOLIVIA - Technical Assistance

Introduction

Several weeks ago, Mr. Knapp asked Mr. Alter to prepare for a meeting with him to consider what IDA's future role in Bolivia might be. As you know, our only financial involvement there is in the power sector, for which two IDA credits, totaling US\$15 million, were made in June 1964. We have no other immediate projects in sight but we do have several requests for technical assistance, not all of which would be geared to project preparation. The purpose of this memorandum is to summarize where we stand on the various requests that IDA provide technical assistance to Bolivia and to recommend a course of action thereon, for the approval of the Management.

The Requests for IDA Technical Assistance

In July 1964, U.S. Ambassador Henderson visited Mr. Alter to make a general plea for IDA technical assistance to Bolivia in (1) general economic planning and (2) the reorganization and improvement of the Bolivian railroads along the lines recommended by the IDA-sponsored 1962 Sofrerail mission. Since Nov. 1964, Loven and I met with Alex Firfer, the US/AID Director in Bolivia; Sear, Nelson and I met with Bill Dentzer, in charge of the Chile/Bolivia office in the State Department, and Messrs. Caiola and Bendfeldt who are, respectively, the resident representatives in Bolivia of the IMF and the IADB; and on December 23, Mr. Alter and I met with Mr. Anthony Solomon, Deputy Assistant Secretary for Latin American Affairs in the State Department, Bill Dentzer, and Ed Coy, the State Department Bolivian desk officer.

During all these discussions, IDA has been pressed to recognize, which we do, that Bolivia urgently needs the kinds of technical assistance mentioned, but also that IDA is the institution best equipped to provide this assistance. It was also pointed out to us during the recent discussions that the new military Junta is well intentioned, serious about doing the right things as competently as possible, that assistance from an international agency would not only be welcome on its own merits but would also contribute greatly toward enhancing the stature of the Junta domestically and abroad, and that IDA assistance would help internationalize the now predominantly bilateral U.S. assistance program.

In addition to these two requests, we have been requested by the Bolivian Government to help in preparing a cattle development program, and have thus far been proceeding on the assumption that we can provide such project preparation assistance. Preliminary descriptive material was received from Bolivia in December and we have since received through Mr. Haus-Solis, the Alternate Executive Director for Bolivia in the Bank,



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additional supporting material to help us better to decide what kind of project preparation assistance is required. The material is now being reviewed by TOD. The only negative comment we have received on this project has been from the U.S. Government representatives. They feel very strongly that if IDA is reluctant to provide assistance both in transport and agriculture, the cattle program assistance should be dropped since it is, in their view, of lower priority, and in any event a thriving cattle industry would require a much improved transport system to carry the product to market.

As these discussions have developed, the request (principally from the U.S. Government) for IDA assistance in general economic planning has been quietly dropped in recognition of the fact that the limited prospects for IDA operations in Bolivia do not warrant the reallocation for this purpose of scarce staff from other assignments where the Bank/IDA's present and future activities are very substantial. An equally material consideration has been the fact that the Inter-American Bank has a substantial role in Bolivia, has a resident mission in La Paz, and is preparing to add to it three people for about six months for general planning assistance: a general planning adviser, an agricultural adviser and an industrial adviser. The most recent discussions have accordingly concentrated on assistance to the Bolivian railroads.

#### Technical Assistance to the Railroads

The assistance requested would in the short run consist of providing about US\$200,000 to pay for a team of about five foreign experts for about one year, to advise the management of the recently established western railroad system in consolidating and improving what were until several months ago two separate railroads. Loven's October 23, 1964 report on assistance to the railroads (attached) will fill you in on the background detail.

The second phase of the technical assistance proposed would take the form of a general transport study. Once reorganized, the western railroad system would have to be rehabilitated - this would in the first instance require extensive closing down of redundant lines rather than major new investment expenditures, - and, as Loven's report indicates, the definition of such a rehabilitation program would first require an indication of Bolivia's overall transport needs and how the rehabilitated railroad system could best help satisfy these needs.

#### The Issue for Decision

There is at present a prospect of only very limited IDA operations in Bolivia (unless there is a radical change in either the overall availability of IDA funds or their present global allocation), and there seems to be little immediate prospect for lending to the railroads. Furthermore, within the next year or so IDA will be asked to take under active consideration the second phase expansion program of the electric power sector,



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which we are now financing, and perhaps the cattle development program. In these circumstances, would it be appropriate for IDA to commit technical assistance funds to, and take responsibility for a major technical assistance effort in, the Bolivian railroads?

The Working Party met on January 6, 1965 to consider this question. Its observations and conclusions are as noted below.

#### Management Assistance to Help Reorganize the Western Railroad System

The Working Party noted that the success of a management assistance program need not be influenced greatly by whether or not IDA paid for the advisory services. The Sofrerail people, who had first formulated the reorganization program and who are best equipped to help implement it, would be the preferred advisers whoever put up the funds. As for IDA's moral support and supervision, this could readily be provided by periodic staff visits of a supervisory nature and by making performance a condition for the Bank undertaking the recommended transport sector survey (see below). In these circumstances, the Working Party felt that while there may be cases where Bank/IDA technical assistance would be advisable even where there is no immediate project financing in sight, this case does not seem to be one of these. The only new contribution IDA would be making would be to put up cash. The Working Party accordingly recommended that we explore with the UN/TAB the possibility of the UN providing the \$200,000 needed for the recommended management assistance and that, in any case, IDA follow the progress of the reorganization closely throughout its implementation.

#### Transport Study

The Working Party agreed that there seemed to be a strong case for the Bank carrying out a transport sector study in Bolivia, and noted that such a study would probably have to be fairly broad in nature and examine closely the development potential of agriculture and mining during the course of its work. However, since such a study would be directed not just toward defining a rehabilitation program for the Bolivian railroads but also toward defining the appropriate role of all modes of transport, the Working Party felt that a reasonable prospect for completing the recommended railroad reorganization should be a condition for undertaking the study. Without such prospect, it would be virtually impossible to define meaningfully a proper relationship of the various modes of transport. The Working Party accordingly felt that, while we should begin immediately to define the terms of reference, etc., for such a study, we should not consider undertaking it before the Sofrerail management experts were on the ground for a sufficient period to indicate that the first phase of the railroad reorganization program was in fact being implemented.



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In view of the standing arrangement that any sector study proposal should first be referred to the United Nations Special Fund, the Working Party agreed that we should proceed now to draft a background paper so that the question of the transport study can be raised informally with the Special Fund during the next month or so. This timing would still permit an official request to be received by the Special Fund from the Bolivian Government before June 1965, so that the study might be considered in December 1965 for inclusion in the Fund's 1966 budget. It would also allow sufficient time to see how the railroad rehabilitation program is progressing before a final commitment is made, and to organize and staff a mission.

The Working Party considered whether the Bank might undertake this study with its own staff. It concluded that, given the shortage of Bank staff for such studies, even in countries where there is a very good prospect of large-scale financing following, it would be very difficult to justify the assignment of scarce Bank staff for a Bolivian transport study since the project financing prospects are so uncertain. It was accordingly agreed that, if the Special Fund for any reason indicated it was unable to finance this study, the Bank should consider providing technical assistance funds to hire suitable consultants for the purpose. The Working Party agreed that the Bank should be the executing agent for this study, whatever the source of funds for the study.

The Working Party concluded that the next steps should be the following:

- 1) Area clear the recommended approaches to the UN with the Management. If approved,
- 2) DSD transmit to the UN/TAB (amended, if necessary) a copy of Leven's October 23, 1964 report on the Bolivian railroads and inquire whether UN/TAB could provide \$200,000 for Sofrerail management advisers;
- 3) TOD draft terms of reference, staffing and time requirements, etc. for the transport study and circulate for comment by the Working Party before the end of February.

cc: Messrs. Alter (o/r), Schmidt, Dolaume, Riley, Geolot/Leven, Dambaki, Nelson

MLWeiner/mv



Files

January 12, 1965

Mervyn L. Weiner

Bolivia - Technical Assistance : Working Party Minutes

Messrs. Riley, Dambski, Geolot, Loven, Weiner met on January 6, 1965 to consider Weiner's memo of December 28, 1964, on technical assistance requested for Bolivia and the response that IDA should make to these requests.

Management Assistance to Help Reorganize the Western Railroad System

The Working Party noted that the success of a management assistance program need not be influenced greatly by whether or not IDA paid for the advisory services. The Sofrerail people, who had first formulated the reorganization program and who are best equipped to help implement it, would be the preferred advisers whoever put up the funds. As for IDA's moral support, this could readily be provided by periodic staff visits of a supervisory nature and by making performance a condition for the Bank undertaking the recommended transport sector survey (see below). In these circumstances, the Working Party felt that while there may be cases where Bank/IDA technical assistance would be advisable even where there is no immediate project financing in sight, this case does not seem to be one of these. The only new contribution IDA would be making would be to put up cash. The Working Party accordingly recommended that we explore with the UN/TAB the possibility of the UN providing the \$200,000 needed for the recommended management assistance and that, in any case, IDA follow the progress of the reorganization closely throughout its implementation.

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January 12, 1965

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Cleared with and cc: Mr. Riley (DSD) ✓  
Mr. Geolot/Mr. Loven (TOD)  
Mr. Damski (Treas.)  
cc: Messrs. Schmidt, Delaune, Nelson

MLWeiner/mv



*file*

The Working Party

*Mr. Riley -  
let's discuss  
this*

December 28, 1964

Mervyn L. Weiner

BOLIVIA - Technical Assistance

Mr. Knapp has requested a meeting in the near future to consider in the light of present Bolivian conditions what IDA's future role in Bolivia might be. In preparation for this meeting, I have prepared this note to summarize recent conversations we have had, principally with representatives of AID, about requests that IDA provide technical assistance of various kinds to Bolivia.

The Requests for IDA Technical Assistance

In July, 1964, U.S. Ambassador Henderson visited Mr. Alter to make a general plea for IDA technical assistance to Bolivia in (1) general economic planning and (2) the reorganization and improvement of the Bolivian railroads along the lines recommended by the IDA-sponsored 1962 Sofrerail mission. During the past month, Loven and I have met with Alex Firfer, the US/AID Director in Bolivia; Sear, Nelson and I have met with Bill Dentzer, in charge of the Chile/Bolivia office in the State Department, and Messrs. Caiola and Bendfeldt who are, respectively, the resident representatives in Bolivia of the IMF and the IADB; and on December 23, Mr. Alter and I met with Mr. Anthony Solomon, Deputy Assistant Secretary for Latin American Affairs in the State Department, Bill Dentzer, and Ed Coy, the State Department Bolivian desk officers.

During all these discussions, IDA has been pressed to recognize, which we do, that Bolivia urgently needs the kinds of technical assistance mentioned, but also that IDA is the institution best equipped to provide this assistance. It was also pointed out during the recent discussions that the new military Junta is well intentioned, serious about doing the right things as competently as possible, that assistance from an international agency would not only be welcome on its own merits but would also contribute greatly toward enhancing the stature of the Junta domestically and abroad, and that IDA assistance would help internationalize the now predominantly bilateral U.S. assistance program.

In addition to these two requests, we have been requested by the Bolivian Government to help in preparing a cattle development program, and have thus far been proceeding on the assumption that we can provide such project preparation assistance. A preliminary descriptive study was received from Bolivia two weeks ago. We have since requested through Mr. Haus-Solis, the Alternate Executive Director for Bolivia in the Bank, additional supporting material from La Paz to help us better to decide what kind of project preparation assistance is required. The only negative comment we have received on this project has been from the U.S. Government representatives. They feel very strongly that if IDA cannot provide assistance both in transport and agriculture, the cattle program assistance should be dropped since it is, in their view, of lower priority, and in any event a thriving cattle industry would require a much improved transport system to carry the product to market.

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As these discussions have developed, the request (principally from the U.S. Government) for IDA assistance in general economic planning has been quietly dropped in recognition of the fact that the limited prospects for IDA operations in Bolivia do not warrant the reallocation for this purpose of scarce staff from other assignments where the Bank/IDA's present and future activities are very substantial. An equally material consideration has been the fact that the Inter-American Bank has a substantial role in Bolivia, has a resident mission in La Paz, and is preparing to add to it three people for about six months for general planning assistance: a general planning adviser, an agricultural adviser and an industrial adviser. The most recent discussions have accordingly concentrated on assistance to the Bolivian railroads.

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The assistance requested would in the short run consist of providing about US\$200,000 to pay for a team of about five foreign experts for about one year, to advise the management of the recently established western railroad system in consolidating and improving what were until several months ago two separate railroads. Loven's October 23, 1964 report on assistance to the railroads (being circulated separately) will fill you in on the background detail.

The second phase of the technical assistance proposed would take the form of a general transport study. Once reorganized, the western railroad system would have to be rehabilitated - some lines should be eliminated, traction should be dieselized, etc. - and as Loven's report indicates, the definition of such a rehabilitation program would first require an indication of Bolivia's overall transport needs and how the rehabilitated railroad system could best help satisfy these needs.

In considering the above request, we should bear in mind that once the rehabilitation program is defined, IDA will undoubtedly be requested to participate in its financing, particularly if we have taken the responsibility of providing the technical assistance leading up to it. But you will note from Loven's report that there seems to be little prospect that the reorganized western railroad system will be able to satisfy our present criteria for a satisfactory project.

#### The Issue for Decision

There is at present a prospect of only very limited IDA operations in Bolivia (unless there is a radical change in either the overall availability of IDA funds or their present global allocation). There seems to be little prospect for lending to the railroads without a fairly radical relaxation of our present project criteria. Furthermore, within the next year or so IDA will be asked to take under active consideration the second phase expansion program of the electric power sector, which we are now financing. In these circumstances, would it be appropriate for IDA to commit technical assistance funds to, and take responsibility for a major technical assistance effort in, the Bolivian railroads?

I invite the Working Party to meet in my office on Wednesday, January 6, at 3.00 p.m. to consider this matter. I am thinking of proposing that this is a case where IDA should undertake this clearly needed assistance to the railroads,

December 28, 1964

recognizing frankly that such assistance is not clearly preparatory to IDA financing and that it would imply that the Bank/IDA will be ready to provide similar urgent assistance to other members in the transport field because of our special competence in this area, regardless of the immediate financing prospects arising therefrom.

cc: Messrs. Geolot/Loven/Sear  
Delaume/Sassoon  
Gordon/Riley ✓  
Keltie/Dambski  
Nelson

MLWeiner:mv/sjg



This is a draft translation.  
It has been checked by translator  
only, but not by reviser.  
Translation Section  
Archives Division, IBRD

Mr. Wishart

Room 1220

Initial Review:-

1. If aim is to advise in detail how to

re-organize, draw up accounting code, etc

but not physically to implement it

would not rule out T.A. (cf Iron

Power)

2. If intention is also that experts should

implement in executive capacity then

OPEX would be more appropriate

3. Do not use T.A. as substitute for Bank/IBRD funding

Republic of Bolivia.

Ministry of Public Works and  
Communications

La Paz, Bolivia, 30 June 1964.

Reference No.  
C-16-1287

To the President,  
I.B.R.D.,  
Washington, D.C.  
U.S.A.

Dear Sir,

The Government of Bolivia, which has received valuable assistance from IBRD in the form of the technical mission that was sent to study the state of the railways, intends to take immediate action to secure the reconditioning of its railways and will therefore proceed on 1 November next to organize and bring into service the National Railroads Corporation (Empresa Nacional de Ferrocarriles), thus complying with the first and basic recommendation in the report made to the World Bank by the Sofrerail\* Mission after its visit to Bolivia in early 1962. By August next it will be possible to transmit the Bank the studies undertaken on the organization of the railroads corporation and other plans in connection with this that have been prepared by the National Railroads Service responsible to my ministry.

As the report of the Sofrerail Mission recommended the engaging of several experts, the Government would like to have your assistance at this stage and would be very grateful if, by September of the present year, it could have in its service in Bolivia at least one expert on cooperation organization and one on railway accounting, whose aid would be exceedingly valuable in the work of introducing a new system of operations suited to the needs of the undertaking to be set up. Later it would also be desirable to have three further persons: an expert on costs and statistics to introduce a nationalized system in respect of these, an expert on locomotives and locomotive repairshops and, lastly, an expert on personnel organization to prepare the staff regulations.

In view of the fact that the Bank is favourably predisposed to make a contribution to the reconditioning of the Bolivian railways, I have every confidence that the applications for assistance in this respect that led to the sending of the Sofrerail Mission to Bolivia will continue to receive satisfactory consideration in this second phase and that arrangements will be made to engage the technical specialists recommended at the times indicated in the present letter and, so far as possible, through the same agency as that

\*French Corporation for Railroad Studies and Projects

TRANSLATION SECTION

Translated From: Spanish

By: J.B./lm

893/64



which undertook the study of the railways in early 1962. Finally, I should point out that it is desirable that these technical specialists should know the Spanish language as they will need to use it in all their work.

My Government will look forward to your valued reply.

I remain,

Yours very truly,

(signed) René Leytón Morales, Major General  
Minister of Public Works and  
Communications

(Seal of the  
Minister)

Copy to National Railroads Service



ROUTING SLIP

Date

June 26, 1963

NAME

ROOM NO.

Mr. Twining

513

*Jrew*

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

*Is make a  
Bolivia just as it  
file. There will  
be a working party  
meeting on this  
- due course*

From

W. Kaupisch

June 26, 1963

BY HAND

Dear Mr. Gumucio:

In our meeting of June 17th you enquired whether the Bank would be prepared to render further assistance to the Bolivian Railways, and in particular to advise them in the implementation of the SOPRERAIL report. In that meeting you stated to us that the Government had in fact already approved the basic recommendations of the SOPRERAIL report, and you indicated to us in broad terms what should be the nature and extent of the technical assistance.

I am glad to be able to confirm to you that the Bank is prepared to give this request serious consideration, but that before making a decision on the matter we would appreciate receiving from your Government a brief statement of the prospects of implementation of the SOPRERAIL report and a specific outline of the assistance required. As you requested, I attach to this letter a list of the points that this should cover.

Promptly upon receipt of this information we will review the request and communicate with you further.

Sincerely yours,

Alfred E. Matter  
Assistant Director of Operations  
Western Hemisphere

Mr. Alfonso Gumucio Reyes  
Minister of National Economy  
Ministry of National Economy  
La Paz, Bolivia

Cleared in substance and cc: Mr. Loven  
Cleared with and cc: Mr. Twining

cc: Mr. Schmidt  
Mr. Kaupisch/Mr. Mirza

AEMatter/mv