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Folder ID: 30486951

Series: Technical assistance

Dates: 02/12/1976 – 09/08/1977

Fonds: Records of the Office of External Relations

ISAD Reference Code: WB IBRD/IDA EXT-10

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THE WORLD BANK

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30486951

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Bolivia - ENFE - Phase 2 - BOL/72/002 - Volume 3

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OFFICE MEMORANDUM

TO: Messrs. R. Jones (CTR) & S. Chandra (CTR)

FROM: Rita Parrilli (IRD) *by M/Z*

SUBJECT: LATIN AMERICA: Second Quarter 1977 PDR

DATE: September 8, 1977

I have reviewed the second quarter 1977 PDRs and it appears that the following projects ought to be marked closed when the third quarter PDRs are issued:

<u>Project No.</u>	<u>Project Title</u>	<u>Final Revision</u>	<u>Date Signed</u>
BOL/71/525	ENFE, Phase I	K	13 April 1976
BOL/72/002	ENFE, Phase II	J	1 June 1977
BOL/74/019	ENFE, Phase III	C	1 June 1977
GUY/72/012	Fisheries	D	19 March 1976
GUY/73/006	Hydroelectric Power	H	22 August 1977
HAI/72/008	Northern Road	D	23 July 1976
URU/74/013	Energy Plan	C	29 June 1976

In addition, International Relations Department would be grateful if you would confirm our understanding that PDRs are not to be stamped closed until after a fully signed final Project Revision has been received in the Bank. We would also appreciate your confirmation that the PDRs should be stamped closed as soon as possible after the signed final revision is received.

RParrilli/mv



Record Removal Notice

File Title Bolivia - ENFE - Phase 2 - BOL/72/002 - Volume 3		Barcode No. 30486951		
Document Date 06/27/1977	Document Type Letter			
Correspondents / Participants To: Mr. R. Buhler (LEG) From: Rita Parrilli (IRD)				
Subject / Title Bolivia Technical Assistance to ENFE				
Exception(s) Attorney-Client Privilege				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date May 23, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date May 23, 2025
Withdrawn by Salma Berrada	Date May 23, 2025			

May 23, 1977

Mr. Henry Meyer
Resident Representative
United Nations Development Programme
Casilla 686
La Paz, Bolivia

Dear Mr. Meyer:

BOLIVIA: ~~ENFE~~, Phase I (BOL/71/525)
✓ ENFE, Phase II (BOL/72/002)
ENFE, Phase III (BOL/74/019)

Please find enclosed the first quarter 1977 Project Delivery Reports for each of the above projects.

In order to enable us to close the projects' accounts, we would be grateful if you would return to us one original signed copy of Final Revisions "J" for BOL/72/002 and "C" for BOL/74/019. You will recall that these revisions were sent to you on March 18.

Sincerely yours,


Rita Parrilli

International Relations Department

Attachments

BOL/71/525/K/01/42
BOL/72/002/J/01/42
BOL/74/019/C/01/42

March 18, 1977

Mr. Henry Meyer
Resident Representative
United Nations Development Programme
Casilla 686
La Paz, Bolivia

Dear Mr. Meyer:

BOLIVIA: ENFE, Phase I (BOL/71/525)
ENFE, Phase II (BOL/72/002)
ENFE, Phase III (BOL/74/019)

Please find enclosed the fourth quarter 1976 Project Delivery Reports for each of the above projects. Also enclosed are the final project revisions for BOL/72/002 and BOL/74/019, duly signed on behalf of the Bank by Mrs. Shirley Boskey, Director, International Relations Department.

Revision "J" for BOL/72/002 now reflects actual 1974 PDR figures and reconciles the discrepancy noted in UNDP Headquarter's list of projects with unmatched expenditures in 1974. It also reflects a small miscellaneous 1976 charge to the project, reported by UNDP Headquarters.

You will recall that the final budget "K" for BOL/71/525 was signed on January 12, 1976 and sent to the Bank under cover of your letter of 14 April 1976.

We look forward to receiving one original signed copy of the final revisions for BOL/72/002 and BOL/74/019.

Sincerely yours,

Rita Parrilli
International Relations Department

Attachments

RParrilli/mv

cc: R. Jones (CTR)
S. Chandra (CTR)
G. Spier (LCP)

Mrs. Shirley Boskey (Director, IRD)

March 18, 1977

Rita Parrilli (IRD)

BOLIVIA: ENFE, Phase II (BOL/72/002)
ENFE, Phase III (BOL/74/019)

Please find attached, for your signature, three copies each of the following revisions:

BOL/72/002 - Revision "J"

BOL/74/019 - Revision "C"

These revisions reflect actual 1976 charges to these projects and will enable us to close each project's account. They have been cleared in substance for your signature by all concerned parties within the Bank.

Attachments

RParrilli/mv

PROGRAMA DE LAS NACIONES UNIDAS
PARA EL DESARROLLO EN BOLIVIA

UNITED NATIONS



UNITED NATIONS
DEVELOPMENT PROGRAMME
NATIONS UNIES

File

BOL/72/000



BOL/74/019

TELEF. 58589 al 58594

NACIONES UNIDAS
CASILLA 686
AV. ARCE No. 2525
EDIF. STA. ISABEL
LA PAZ - BOLIVIA

Cables: "UNDEVPRO" LA PAZ
Nos. "TELEX"
ALL AMERICA (ITT): 3560030
WEST COAST: BX5246

REFERENCIA: PRO.300/CP/2671

22 October 1976

Dear Ms. Boskey,

Subject: Revised 1976 budgets - Bolivia Country
Programme

.....

Attached please find a revised edition of the 1976
budgets for projects executed by your Agency on behalf of
UNDP.

Yours sincerely,

Henry C. Meyer
Resident Representative

Ms. Shirley Boskey, Director
International Relations Department
World Bank
1818 H St. N.W.
WASHINGTON D.C., 20433

20/10/76

BOL/72/002: ASISTENCIA TECNICA A ENFE

BIRF

		Deudas 1975 por pagar en 1976	Nuevo presupuesto para 1976	Disponible para 1976
20.	<u>SUBCONTRATOS</u>			
50.	<u>GASTOS VARIOS</u>			
54	<u>Costos directos del PNUD</u>			
59	<u>Total</u>			
99.	<u>TOTAL GENERAL</u>	-	-	-

IBRD AND IDA - SUPERVISION SUMMARY

This summary is ☐ the initial summary
☒ part of a mission report
☐ a semi-annual update
☐ the completion summary

Regional Office: LAC	Project Name: First Railway Project	Project Code: 6-BOL-TR-01	Loan ☐ Credit ☒ No.: 346-BO	L/C Amount (\$xx.xm): \$8.0 m
Country: Bolivia	Borrower/Beneficiary: Government (Railway)	Board Date: 11-28-72	Signing Date: 12-1-72	Effective Date: 2-21-73
Projects Dept./Div. Name: LCPPR	Org. Code No.: 166/30	Projects Officer: M. N. Rasheed	Loan Officer: M. K. Kikuchi	

SECTION 1: SUMMARY PROJECT DESCRIPTION

The project consists of ENFE's Program of Investments during the year 1974-1975 for the technical and financial rehabilitation of the Railway, and the modernization of track, rolling stock, motive power and workshops; it also includes a Technical Assistance Program, under a UNDP grant, to improve the quality of management and operations.

SECTION 2: PERFORMANCE RATING

STATUS: 1 - Problem-free or Minor Problems; 2 - Moderate Problems; 3 - Major Problems

TREND: 1 - Improving; 2 - Stationary; 3 - Deteriorating

TYPES OF PROBLEMS: F - Financial; M - Managerial; T - Technical; P - Political; O - Other (Explain in Section 5)

If more than one type of problem, enter most critical factor first.

Designated a "problem project" in most recent SVP review? Y - Yes; N - No ☒ N

This Summary	Last Summary
1	1
1	1
M T	M T

SECTION 3: PROJECT DATA

Estimated/Actual:	Project Completion (Mo./Yr.)	Loan/Credit Closing (Mo./Day/Yr.)	Total Project Cost (\$xx.xm)	of which:		Cumulative Disbursements through most recent Quarter ended (6/30/76) (\$xx.xm)
				Foreign Currency (\$xx.xm)	Local Currency (\$xx.xm)	
Appraisal Est.	6.75	12.31.75	11.6	8.0	3.6	8.0 (Est.)
Last Summary (5/6/76)	6.76	6.30.76	11.6	8.0	3.6	
Current	6.76	6.30.76	11.6	8.0	3.6	7.8 (Actual)

SECTION 4: MISSION SCHEDULE

	No. of Staff on Mission	No. of Days in Country	Return to HQ (Mo./Day/Yr.)	Final Report Date (Mo./Day/Yr.)
Latest/Present Mission	3	7	9.24.76	10.7.76 CS)*
Previous Mission	4	16	4.19.76	5.6.76 (CS)*
Next Mission Departure (Mo./Yr.) 10.76	Recommended interval between missions (Months) -		End of period covered by latest progress report (Mo./Day/Yr.) 6.30.76	

* Type of Report: FS = Full Supervision; CS = Combined Full/B-T-O; C = Completion; A = Appraisal; O = Other (explain below)

SECTION 5: COMMENTS (Explain "other" in Section 2 and clarify, if necessary, data in Sections 3 and 4)

The mission consisted of Messrs. M.N. Rasheed (Financial Analyst), C. Buratti (Engineer) and C.H. Mumme (Economist).

SECTION 6: SUMMARY OF PROJECT STATUS, TREND, AND MAJOR PROBLEMS:

Rehabilitation program for rolling stock is on schedule. Civil Works in Viacha workshop are almost completed. Spare parts for locomotives, arrived with delays, are short for certain items like cylinder liners found highly corroded by cavitation in the first 24,000 hours overhaul of the D.E. locomotives.

IDA Credit 346 is entirely committed and about 97% already disbursed. Closing date of the Credit is June 30, 1976 but informally it has been extended until November 30, 1976.

Preparing Officer: C. Buratti

Initials:

Date: 10/7/76

IBRD AND IDA - SUPERVISION SUMMARY

This summary is ☐ the initial summary
☒ part of a mission report
☐ a semi-annual update
☐ the completion summary

Regional Office: LAC	Project Name: Second Railway Project	Project Code: 6-BOL-TR-02	Loan ☒ Credit ☐ No.: 1121-BO	L/C Amount (\$xx.xm): \$28.7 m
Country: Bolivia	Borrower/Beneficiary: Empresa Nacional de Ferrocarriles	Board Date: 6-3-75	Signing Date: 6-5-75	Effective Date: 8-6-75
Projects Dept./Div. Name: LCPPR	Org. Code No.: 166/30	Projects Officer: M.N. Rasheed	Loan Officer: K. Kikuchi	

SECTION 1: SUMMARY PROJECT DESCRIPTION The project consists of ENFE's Program of Investment during the years 1975-1976 for the technical and financial rehabilitation of the Railway, and the modernization of track, rolling stock, motive power and workshops; it also includes the continuation of the Technical Assistance Program to improve the quality of management and operation for which UNDP financing ended 9/30/75.

SECTION 2: PERFORMANCE RATING

STATUS: 1 - Problem-free or Minor Problems; 2 - Moderate Problems; 3 - Major Problems

TREND: 1 - Improving; 2 - Stationary; 3 - Deteriorating

TYPES OF PROBLEMS: F - Financial; M - Managerial; T - Technical; P - Political; O - Other (Explain in Section 5)

If more than one type of problem, enter most critical factor first.

Designated a "problem project" in most recent SVP review? Y - Yes; N - No ☒ N

This Summary Last Summary

1	1
1	1
M T	M T

SECTION 3: PROJECT DATA

Estimated/Actual:	Project Completion (Mo./Yr.)	Loan/Credit Closing (Mo./Day/Yr.)	Total Project Cost (\$xx.xm)	of which:		Cumulative Disbursements through most recent Quarter ended (9/30/76) (\$xx.xm)
				Foreign Currency (\$xx.xm)	Local Currency (\$xx.xm)	
Appraisal Est.	<u>12.77</u>	<u>12.31.78</u>	<u>41.0</u>	<u>32.0</u>	<u>9.0</u>	<u>1.9</u> (Est.)
Last Summary (5 / 6/76)	<u>12.77</u>	<u>12.31.78</u>	<u>45.4</u>	<u>36.4</u>	<u>9.0</u>	
Current	<u>12.77</u>	<u>12.31.78</u>	<u>45.4</u>	<u>36.4</u>	<u>9.0</u>	<u>10.9</u> (Actual)

SECTION 4: MISSION SCHEDULE

	No. of Staff on Mission	No. of Days in Country	Return to HQ (Mo./Day/Yr.)	Final Report Date (Mo./Day/Yr.)
Latest/Present Mission	<u>3</u>	<u>7</u>	<u>9 24 76</u>	<u>10 7 76</u> CS
Previous Mission	<u>4</u>	<u>16</u>	<u>4 19 76</u>	<u>5 6 76</u> CS
Next Mission Departure (Mo./Yr.) <u>10 76</u>	Recommended interval between missions (Months) <u>4</u>		End of period covered by latest progress report (Mo./Day/Yr.) <u>6 30 76</u>	

* Type of Report: FS = Full Supervision; CS = Combined Full/B-T-O; C = Completion; A = Appraisal; O = Other (explain below)

SECTION 5: COMMENTS (Explain "other" in Section 2 and clarify, if necessary, data in Sections 3 and 4) The mission consisted of Messrs. M.N. Rasheed (Financial Analyst), C. Buratti (Engineer) and C-H. Mumme (Economist). Mr. H. Wyss, Assistant Director LAC Projects also was in Bolivia and participated in the mission meetings with ENFE and the Minister of Transport.

SECTION 6: SUMMARY OF PROJECT STATUS, TREND, AND MAJOR PROBLEMS:

In the first half of 1976 the railway freight traffic increased by 10% in ton-km but decreased by 34% in tonnage over the same period in 1975 due to exogenous factors such as mining strikes in early part of 1976, Governments' new requirement, from importers of a deposit of 25% of the value of imports prior to importation and, shortage of freight cars. However, the mining strike is over and normal production is resumed since June 1976 and the Government is relaxing the condition of 25% deposit on imports. ENFE is optimistic that the traffic will increase in the second half of 1976. Passenger traffic increased both in numbers (15.7%) and in pass-km (26.9%) for the same period. The working and operating ratios for the first four months of 1976 were 91 and 104 but with the anticipated traffic increase in the remaining period of 1976 the ratios are expected to be close to appraisal targets (80 and 95 against targets of 85 and 95). Therefore the financial position of ENFE will remain satisfactory also for 1976. Procurement performance is satisfactory; by end of September 1976, 96% of the loan was committed and 38% was disbursed. Track rehabilitation is still behind schedule mainly due to management problems in the Eastern Region. Productivity in workshops is normal. Shortage of some parts slowed down the otherwise good progress of the motive power fleet efficiency. The position of ENFE's Chief Mechanical Engineer is still vacant while SOFRERAIL expert has already arrived to organize the mechanical department. The technical assistance has contributed to the better performance of ENFE but good counterparts from ENFE are scarce. Also there is frequent turnover among them

Preparing Officer: N. Rasheed

Initials: 

Date: 10/7/76

SUPERVISION SUMMARY

Project Name: Second Railway Project

Section 6: (Continued)

and only middle managers seem to benefit most from technical assistance instead of senior managers. From information collected in La Paz it is clear that the technical assistance for the period January-June 1977 cannot be financed by the Ministry of Transportation as previously expected. ENFE therefore should carefully review the technical assistance program not to overrun the funds available. On August 31, 1976, ENFE signed a contract with Mitsubishi-Japan for the purchase of 16 line locomotives for the Western Region, and transactions are in progress with Mecano Export-Import from Rumania for five diesel shunters.

7. Action Taken

- (a) A letter has been sent to the General Manager of ENFE summarizing the missions' findings; and
- (b) An appraisal mission to Bolivia, consisting of two Engineers, one Economist and one Financial Analyst is scheduled for October 26 to November 12, 1976.

List of Annexes

- ANNEX 1: Letter to ENFE
- ANNEX 2: Draft paragraph for Presidents Report
- ANNEX 3: Key Indicators (Table 1) selected Operating Statistics (Table 2)
- ANNEX 4: Schedule of Disbursements (Table 1)
 - F Position of Procurement (Table 2)
- ANNEX 5: Places visited and main officials met
- ANNEX 6: Execution of the Project
- ANNEX 7: Operating Results and Forecasts
 - Table 1 - Income Statement
 - Table 2 - Cash Flow
 - Table 3 - Balance Sheet
- ANNEX 8: Organization, Management and Performance of the Borrower
- ANNEX 9: Preappraisal of the Third Railway Project

cc: Mr. Wyss, LCPDR; Mr. Perez, LCNVP; Mr. Lehbort, LC2DE; Mr. Newman, LCPPR;
Mr. Karman, LCPPR; Mr. Buratti, TRUOP; Mr. C-H Mumme, LCPHW, Mr. Rasheed, LCPPR;
Mr. van der Tak, VPSVP; Mr. Willoughby, TRUDR; Mr. Kikuchi, LC2DE; Mr. Bowron,
P&B; Mr. Mole, CTRDD; Mr. Buhler, LEG; Mr. Elliott, CTRDD; Mr. Lee, VPSVP;
✓ Ms. Parrilli, (Int. Relations); Mr. De Castro, LCPHW; Mr. Magat, LCPPR;
Mr. Spiers, LCPPR; Mr. Israel, PAS.

NRasheed/CBuratti/C-HMumme:gz

October 7, 1976

Ing. Gustavo A. Mendez Torrico
Gerente General
Empresa Nacional de Ferrocarriles
Casilla No. 423
La Paz, Bolivia

Re: BOLIVIA - First and Second Railway
Projects (346-BO and 1121-BO)

Dear Ing. Mendez:

We wish to thank you for your usual warm hospitality and cooperation extended to the Bank mission which visited Bolivia from September 15 to 22, 1976.

We enclose a copy of the Aide-Memoire summarizing the points discussed by the mission with you and ENFE's officials. Please ensure that all information will be ready for the appraisal mission scheduled to be in La Paz from October 26 to November 12, 1976.

Sincerely yours,

E. M. Karman
Deputy Division Chief
Railways, Ports and Aviation Division
Latin America and Caribbean Regional Office

NRasheed:gz

cleared by and cc: Mr. B. Leibert

cc: Messrs. Buratti
Mumme
Rasheed

AIDE MEMOIRE
(Track)

ENFE will:

In Western Region:

1. Activate work implementation in the two sections of Oruro-Viacha line taking full advantage of new equipment purchased with the loan 1121-B0.
2. Extend the instructions and know-how of the use of new equipment to an adequate number of persons in ENFE.
3. Study and analyze each week the causes of delay in track rehabilitation program and take corrective actions.
4. Recupérate the track rehabilitation backlog so far accumulated, as ballast production increases (42 ballast cars will be available in October) and as the knowledge of how to use the new equipment improves.
5. Speed up installation of new steel bridges on the Ollague-Uyuni line.

In Eastern Region:

6. Speed up the assignment of a contractor to rehabilitate the permanent way, because although the new mainline locomotives are soon expected the track rehabilitation program is considerably behind schedule.
7. Put as soon as possible the new crushing machinery, arrived from France, in operation at Yacuces quarry.
8. Proceed as for Western Region in points 2, 3 and 4 above.

AIDE MEMOIRE

Finances

ENFE will:

1. Prepare financial forecast for 1976-1981 based on revised traffic forecast and Investment Plan. Forecast should also show revenues and operating expenses separately for Western and Eastern Regions. The operating expenses should also take into consideration the reduction in costs from future benefits to be derived from improved operating efficiency explaining how these benefits are calculated e.g. reduction in fuel cost due to dieselization, reduction in maintenance costs of track and equipment due to investment plan, reduction in transportation costs due to increase in train speed and reduction in turn around time.
2. Prepare Cash Flows for 1976-1981 showing clearly the sources and application of funds (fuentes y usos de fondos). If Government has to grant funds to ENFE an agreement reached on such funds should be provided. Show firming up of financing plan for local and foreign loans (other than the Bank loan) indicating interest rate, grace period, commitment charges and amount of loan.
3. Prepare Balance Sheets for 1976-1981 including the results of recent revaluation of assets.
4. Take action to improve the efficiency and performance of the Finance Department.
5. Prepare cost studies of freight services showing by major commodity the marginal costs, tariffs and corresponding highway tariffs where competition exists.
6. Prepare plans for reducing passenger train losses and financial justification of purchase of passenger cars in future.
7. Obtain Auditor's reports and comments on 1975 accounts and on the results of revaluation of assets for the appraisal mission.
8. Finalize the total manpower requirement of the railway indicating by each area the staff required.

AIDE MEMOIRE

Transport Economics

ENFE will:

1. Review forecast of freight and passenger traffic, 1977-1981, on the basis of actual (January-September 1976) traffic as discussed with Mr. Saussine.
2. Prepare economic evaluation on the basis of methodology explained to ENFE and SOFRERAIL experts Messrs. Balesdens and Saussine by the Mission.

AIDE MEMOIRE
(Mechanical)

ENFE will:

1. Ask the manufacturers of new locomotives for the Western Region (MTU from Germany) if the Diesel engines have a prelubrication electric pump.
2. Prepare Work Plan 1977-78 for Uyuni and Robore Workshops analyzing feasibility, cost-benefit of a partial manufacture and assembly on the spot of new rolling stock to be supplied with the new railway project.
3. Appoint ENFE's counterpart of the SOFRERAIL Mechanical Engineer (Mr. Beseme) who, in due course, could assume the position of ENFE's Chief Mechanical Engineer.
4. Take disciplinary measures against those responsible for the extended breakdown of level pinions and crown wheels of Ferrobuses in the Western Region due to lack of technical control.
5. Implement water treatment to avoid or reduce corrosion and cavitation of the cylinder liners of Diesel engines.
6. Define financial conditions for the purchase of used passenger cars from Chilean State Railway so that the reallocation of the funds for the loan 1121-B0 can be done.
7. Speed up civil works in Guaracachi shop for the installation of the 20 ton mobile crane.
8. Prepare a detail list of items under Categories IV and V initially assigned to Category VI of loan 1121-B0.
9. Review the inventory data for steam and diesel locomotives, passenger and freight cars that are different in documents presented by the Mechanical Department and the Planning Office.
10. Increase the productivity of the new wheel lathe at Uyuni to recuperate the backlog of about 30% of the freight car fleet.
11. Carefully select the counterparts of technical experts and limit their turnover to take full advantage of the technical assistance.

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Draft Paragraph for the President's Reports

All technical targets of the Action Program are met except track rehabilitation in the Eastern network. The freight traffic increased by 10% in ton-km but decreased by 34% in tons due mainly to mining strikes and Government requirement of 25% deposit of total imports prior to importation. But in the second half of 1976 the traffic is anticipated to increase and the working and operating ratios are expected to be 80 and 95 which are close to the appraisal targets of 85 and 95. The financial situation of ENFE, therefore, will continue to be sound. Procurement performance is satisfactory; 96% of the loan is committed and 38% is disbursed. Productivity in workshop is normal. The appraisal of the Third Railway Project is scheduled for October 26-November 12, 1976.

BOLIVIAFIRST AND SECOND RAILWAY PROJECTSKey Indicators

Performance figures for the first six months 1976 are obtained from the statistics. On the whole ENFE met the targets as shown in the following prospect.

ACTION PROGRAM

(Exhibit B to schedule 2 of the Loan Agreement)

The main features of the Action Program are the achievement of quantitative targets in accordance with the table given below:

	<u>-----1 9 7 5-----</u>		<u>-----1 9 7 6-----</u>	
	<u>Real</u>	<u>Planned</u>	<u>Real^{1/}</u>	<u>Planned</u>
			9	
<u>Operations</u>				
1. Working ratio (%)	79	85	91	85
2. Operating ratio (%)	88	96	104	95
3. Availability of mainline diesel locomotives (%)	69.8	70	80	75
4. Average daily run of mainline diesel locomotives (km)	403	400	424	410
5. Availability of freight cars (%)	71	68	83	74
6. Average net load per car (tons)*	20.2 16.3	21- 17.2	n.a. -	21- 17.4
7. Average daily run per car in service (km*)	n.a. n.a.	45- 70	n.a. -	46- 74
8. Net ton-km per wagon-day in use*	799 n.a.	650- 850	640- n.a.	670- 910
9. Wagon turnaround time (days)*	10.3 n.a.	10.9- 10.2	n.a. -	10.9- 10
10. Number of staff (end of year)	6,043	6,300	6,053	6,300
<u>Rehabilitation</u>				
11. Km of track ^{2/}	7	24	38	105
12. Number of freight cars	193	210	170	300
13. Number of coaches	16	16	10	20
14. Number of diesel ^{3/} locomotives	6	6	2	2
15. Number of ferrobuses	5	5	1	1

* Respectively for Western and Eastern Systems.

^{1/} The real figures for working and operating ratios are for January-April and the rest for January-June 1976.

^{2/} As for mid September 1976 ENFE rehabilitated a total of 38 km of track all in the Western Region.

^{3/} The figures do not consider the overhauls of steam locomotives at UYUNI workshop.

BOLIVIA
FIRST AND SECOND RAILWAY PROJECT
Selected Operating Statistics

	Unit	1975			1976 (half year)					% change over 1975 6 months
		W	E	Total	W	% change over 1975 6 months	E	% change over 1975 6 months	Total	
I. <u>SYSTEM</u> ^{1/}										
Route	km	2,101	1,222	3,323	2,087	-	1,182	-	3,269	-
II. <u>TRAFFIC</u>										
Passenger carried	000	832	317	1,149	457	+20%	159	+4%	616	+16%
Passenger km	mil.	189	120	309	119	+37%	64	+11%	183	+27%
Average journey	km	228	378	269	260	+14%	400	+7%	296	+10%
Freight net tons carried - Rev. earning	000	815	326	1,141	230	-34%	181	+39%	481	-8%
Freight net ton km - Revenue earning	000	294	171	465	123	-7%	99	+43%	222	+10%
Average haul	km	361	525	408	410	+40%	546	+3%	461	+19%
Traffic Units (Pass-km + net ton-km)	mil.	483	291	774	242	+10%	163	+28%	405	+17%
III. <u>TRAFFIC DENSITY</u>										
Passenger-km per Route-km	000	90	98	93	57	+37%	54	+11%	56	+27%
Freight ton-km per route-km	000	140	140	140	59	-7%	84	+43%	68	+10%
IV. <u>TRAIN RUN</u>										
Train-km - Passenger	000	-	-	-	357	+216%	-	-	-	-
- Freight	000	-	-	-	732	+30%	345	+50%	1,077	+36%
- Total (incl. mixed)	000	-	-	-	1,201	+40%	466	+23%	1,667	+35%
Gross ton-km - Passenger	mil.	-	-	-	89	+50%	-	-	-	-
- Freight	mil.	-	-	-	274	+12%	205	+38%	479	+22%
- Total (incl. mixed)	mil.	-	-	-	397	+14%	256	+23%	653	+17%
Gross load of freight train	ton	-	-	-	375	-13%	594	-8%	445	-10%
Net load of freight train	ton	-	-	-	146	-24%	212	+16%	170	-10%
V. <u>PRODUCTIVITY OF STOCK</u>										
Number of steam locomotives in fleet	-	59	16	75	-	-	-	-	-	-
Number of steam locomotive in operation	-	26	9	35	30	-	12	+9%	42	+2%
Number of main line diesel locomotives	-	20	6	26	20	-	6	-	26	-
Availability	%	77	40	69.8	80	+16%	-	-	80	+16%
Main line diesel engine-km per serviceable engine per year	000	147	72	137	78	+6%	-	-	78	+6%
Number of shunting diesel locomotives	-	4	-	4	4	-	-	-	4	-
Number of diesel rail cars	-	6	6	12	6	-	6	-	12	-
Availability	%	50	80	65	-	-	-	-	-	-
Number of passenger cars ^{2/}	-	84	33	117	84	-	33	-	117	-
Availability	%	58.64	62.28	60	65	+11%	67	+7%	66	+10%
Number of revenue earning freight cars	-	1,059	396	1,455	-	-	-	-	-	-
Number of serviceable freight cars	-	773	260	1,033	994	+9%	226	+6%	1,220	+9%
Availability	%	92	69	87	85	-4%	73	+14%	83	-1%
Freight net ton-km per serviceable car per year 000	-	-	-	450	123	-15%	438	+35%	182	+1%
VI. <u>STAFF</u>										
Number of employees ^{3/}	-	4,635	1,408	6,043 ^{4/}	4,636	-	1,417	+1%	6,053	-
Traffic units per employee-- Total	000	104	207	128	52	+10%	114	+27%	67	+17%

^{1/} System: W = Western System; E = Eastern System.

^{2/} Passenger cars: Figures include dining cars, service vehicles, cabooses and baggage vans.

^{3/} Temporary personnel included: 1973 - Western Region 224; Eastern Region 117. In 1974 - Western Region 636, Eastern Region 306.

^{4/} About 200 employees in 1975 were transferred to "Caja de Seguro Social".

Note: Any blank space reflects unreliability of the statistical data.

BOLIVIA

SECOND RAILWAY PROJECT

LOAN 1121-BO

Schedule of Disbursements
As of September 1976

IBRD Fiscal Year and Semester	Accumulated Disbursements Million US\$ Equivalent ('000)			New Disbursement Estimate	Actual Disbursements as a Percentage of Appraisal Estimate (Up to Latest Semester) or New Estimate of Disburse- ments as a percentage of appraisal estimate for future semesters (1 ÷ 2) x 100 or (3 ÷ 2) x 100
	1 Actual Total Disbursements*	2 Appraisal Estimate	3 Latest Revised Estimate (4/76)		
<u>1976</u>					
1st	.826	.100	-	-	826%
2nd	3.7	1.911	5.000	-	194%
<u>1977</u>					
1st	11.4	7.438	12.000	12.000	161%
2nd	-	25.630	21.000	21.000	82%
<u>1978</u>					
1st	-	28.7**	28.700**	28.700**	100%
2nd	-	28.7**	28.700**	28.700**	100%
g	Closing Date	12.31.78	12.31.78	12.31.78	

(*) As of October 6, 1976, the total disbursement is US\$10.9 million (38% of the total).

(**) Purchase of D.E. locomotives excluded.

BOLIVIALOAN 1121-BO - POSITION OF PROCUREMENT
(as of end of August 1976 - Figures in US\$)

<u>Category</u>	<u>Item</u>	<u>Original Provision (1)</u>	<u>Revised Provision (2)</u>	<u>Contract Amount (3)</u>	<u>Amount Paid (4)</u>	<u>Amount Available (5)</u>	<u>Delivery Position (6)</u>	<u>Remarks (7)</u>
I.	Material and equipment for permanent way for civil works, for telecommunications and for station installations.	8,700,000	8,700,000	10,511,137	6,495,000	(1,811,137)	In progress	100% of the total is committed, 62% is disbursed
II.	Rolling Stock	8,100,000	8,100,000	9,197,600	1,368,000	(1,097,600)	In progress	100% committed, 15% disbursed
III.	Motive Power							
	(a) Locomotives	3,300,000	-	-	-	-	-	(a) Cancelled
	(b) Ferrobuses	600,000	600,000	2,425,398	1,229,000	(1,825,398)	-	(b) 100% committed, 50% disbursement
IV.	Equipment & spare parts for Rehabilitation of Rolling Stock & Motive Power	2,800,000	2,800,000	3,455,064)		-	In progress	95% committed
				)	----- 1,348,000 (*)	(102,606)	In progress	60% committed.
V.	Workshop Equipment	1,400,000	1,400,000	847,542)			In progress	61% committed
VI.	Consultants' Services & Training	700,000	700,000	1,025,000	505,000	(325,000)	In progress	100% committed, 49% disbursed
VII.	Unallocated	6,400,000	6,400,000	-	-	6,400,000		
Total:		32,000,000	28,700,000	27,461,741	10,946,000	1,238,259		

Source: ENFE & W.B.

(*) Items of Categories IV and V have been coded by ENFE under Category VI (Consultants) - The right Category distributions is expected to be done during next mission.

October 1976

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Places Visited and Main Officials Met

LA PAZ

Mr. Julio Trigo Azurduy	- Minister of Transportation, Communications and Civil Aviation
Ing. Gustavo A. Méndez T.	- General Manager
Ing. Fernando Solares R.	- Chief, Technical Assistant
Ing. Armando Murillo C.	- Investments Manager
Ing. Serafín Olmos	- Administrative Manager
Ing. Ruben del Castillo V.	- Assistant Investment Manager
Lic. Moises Ramos O.	- Chief, Department of Planning
Sr. José Aramayo	- Assistant Administrative Manager
Ing. R. Echazu	- Chief, Traction Dept., Oruro
Sr. Claudio Maldonado V.	- Chief, Division of Telecommunications
Lic. J. Duran	- Chief, Cost Analysis
Sr. Luis Villanueva	- Relations Manager
Mr. R. Fety	- SOFRERAIL, head of team/track specialist
Mr. Berthier	- accounting expert
Mr. Salle	- SOFRERAIL, warehousing and procurement expert
Mr. Balesdens	- SOFRERAIL economist
Mr. Prieto	- SOFRERAIL training expert
Mr. Meriare	- SOFRERAIL Diesel Repair Expert, VIACMA Shops

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Execution of the Project

1. The execution of the Second Railway Project (Loan 1121-BO) is progressing well with minor delays. The drive and initiative of the General Manager, the growing interest of the personnel and the arrival of the items purchased under IDA Credit (346-BO) are the contributory factors for improvement in ENFE's operations.

Procurement

2. IDA Credit 346-BO is entirely committed and about 97% (US\$7.7 million) is already disbursed. The official closing date of the Credit was June 30, 1976 but it has been extended informally until November 30, 1976. Spare parts for D.E. locomotives, arrived with delays, are short for certain items like cylinder liners found highly corroded by cavitation in the first 24,000 hours overhaul. Civil works in Viacha workshop are almost completed.

3. Procurement on Loan 1121-BO is progressing quicker than expected and by the end of September 1976, 96% of the loan was committed amounting to US\$27.5 million. Total disbursements to that date were US\$10.9 million or 38%. However, the amounts contracted under Categories I to VI are higher than the amounts available, therefore an adjustment is required in the amount of unallocated funds (see table 2). ENFE is preparing a request for reallocation of funds. On August 31, 1976, ENFE signed a contract with Mitsubishi-Japan for 16 line diesel locomotives for the Western network and at present is in the process of making transactions with Mecano Export-Import from Rumania for five diesel shunters. These locomotives will have standard mechanical parts so that they are interchangeable with the existing ones. This will complete the dieselization of the western network locomotive fleet. Eastern region, with the arrival of 17 diesel locomotives already ordered to General Electric, Brazil, will also have a fully dieselized fleet.

4. On September 3, 1976, Bank agreed with ENFE for purchase of 18 passenger cars from SOCOMETAL of Chile at US\$2.7 million. This was originally ordered, with Bank Agreement, to IMMAR of Chile which declined its offer later. However, ENFE in the meantime, has found out that "SOCOMETAL" has second hand coaches at favorable price. Therefore, ENFE is currently making enquiries with "SOCOMETAL" and will request the Bank for its approval before final order is placed.

Track Rehabilitation and Maintenance

(a) Western Network

5. The way and works equipment has been purchased with Loan 1121-B0 but ENFE is slow in making the full utilization of this equipment. The mission has urged that this equipment be immediately used in the two section of Oruro-Viacha line. Also, it emphasized that full training should be given to ENFE staff in handling this equipment. The track rehabilitation program is progressing well. By the end of September 1976 38 km of track has been rehabilitated. However, the mission indicated that the local management should check, daily, the work program and study the causes of delays in order to take remedial action. Also, each week the management should discuss in detail with the General Manager who can take action to replace the inefficient staff. The ballast production is increasing and with the arrival of 42 ballast cars in October 1976 its distribution will also increase and will help in speeding up the rehabilitation work. ENFE has already received steel bridges and there is a need to expedite their installation on the Ollague-Uguni line.

(b) Eastern Network

6. The track rehabilitation program in this network is behind schedule. ENFE was urged to speed up the appointment of a contractor to rehabilitate the permanent way because new diesel locomotives will be arriving soon. A new stone crushing machine has arrived from France. ENFE is installing it at Yacuces quarry and the production is expected to start before December 1976. As in the Western network, there is a need to fully train ENFE staff in handling new equipment and daily checking by management, of the work program and finding causes of delays in rehabilitation work and taking corrective action.

Workshops

7. The workshops at Viacha, Uyuni and Robore are functioning adequately. The availability of locomotives (80%) and freight cars (83%) improved in the first six months of 1976 and surpassed the appraisal targets. 18 out of 20 diesel locomotives are in operation and the remaining two are expected to be in service by early 1977.

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Operating Results and Forecasts

(a) Traffic

1. Freight traffic in the first half of 1976 was 222.1 million ton-km as compared with 201.8 million ton-km for the same period in 1975. However, a total of 481.3 thousand tons were carried in 1976 as against 522.8 thousand tons in 1975 for the same period, a decrease of 34%. The decrease occurred only on the western network, from 452.9 thousand tons in 1975 to 299.9 thousand tons in 1976, but, because of increased long haul traffic, the ton-km were only 7% less than in 1975. The main reasons for the traffic decline were:

- (i) Minerals - There were strikes in the first few months of 1976, which reduced the production and, therefore, the exports.
- (ii) Iron and Steel and Chemical Products - The Government asked for a deposit of a sum equivalent to 25% of the value of imports prior to importation. The importers experienced difficulties in arranging such a sum in advance, which resulted in reduction of imports of iron and steel.
- (iii) Timber - Demand for export decreased in the first quarter of 1976.
- (iv) Sugar and Flour - Short haul traffic was carried by truckers.
- (v) Cotton - Shortage of wagons caused a portion of the export traffic to move by trucks. Also, internal traffic between east and west was hauled by truckers.

2. The strike by miners is now over, and mining activities have been returning to normal production since 1976. Also, the Government is relaxing the requirement of 25% deposits on import values. ENFE expects that railway traffic will increase in the remaining months of 1976.

3. Passenger traffic increased both in numbers and in pass-km. In the first six months of 1976 a total of 615.6 thousand passengers were transported as against 531.8 in 1975, an increase of 15.7%, while the pass-km were 182.5 million in 1976 as compared with 143.8 in 1975, an increase of 26.9%. The major part of the pass-km increase occurred on the western network (37.5%).

Finances

(b) Operating Results

4. The increased traffic and tariffs in 1975 had substantially improved the financial position of ENFE. The working and operating ratios of 79 and 88 of that year were better than the appraisal targets of 85 and 96. However, due to exogenous factors the railway traffic declined (para 1) in the first four months of 1976, and the working and operating ratios deteriorated to 91 and 104 as compared with the appraisal targets of 85 and 95 for the full year. The month-by-month examination of the freight traffic indicates that, from June, the ton-km have increased, e.g., on the western network, the freight ton-km increased by about 10% over May and on eastern network, by about 65%. Also, ENFE explained that the situation which caused a decrease in traffic of minerals, iron and steel and chemical products during the first five months has improved; therefore, the prospects for the remaining six months of 1976 appear good. The total revenue for 1976 is estimated to be \$b 589 million, a 3.3% increase over 1975. The working and operating ratios are expected to be 80 and 95 against the appraisal target of 85 and 95 (Table 1). ENFE would be able to meet the 1976 interest payments again and would have a net revenue of about \$b 30.0 million after allowing for the staff cost increase from October 1976, of \$b 200 per month per employee earning up to \$b 3,600 per month. In addition, the Government is contributing \$b 80.1 million from the national budget toward local investment for 1976. Therefore, the financial position of ENFE is strong (Table 2). The accounts of the Guaqui-La Paz and Santa Cruz-Puerto Mamore lines are kept separate from those of ENFE, as per Section 3.04(a) of the Guarantee Agreement; however, the losses on the Guaqui-La Paz line decreased from \$b 12.0 million in 1973 to \$b 7.6 in 1975.

(c) Revaluation of Assets and Audit Report

5. ENFE has taken a complete inventory of all fixed assets and submitted the results to the Government auditors for their comments. As soon as the comments are received by ENFE, which is expected to be by the end of October 1976, they will be handed over to the appraisal mission scheduled to be in the field at that time. This will be in accordance with Section 5.04(b) of the Loan Agreement (1121-BO). Although most of the revalued assets and their related accumulated depreciation are incorporated in the attached balance sheet for 1976 (Table 3), there are still some final adjustments required which will be completed by the end of December 1976. The annual audit report for 1975 is behind schedule, and the mission insisted that this report be submitted to the Bank before the forthcoming appraisal. The current ratios show improvement in 1976 over 1975, and the debt/equity ratio has improved from 52/48 in 1975 to 26/74 in 1976, mainly due to the revaluation of assets. The cash position at the end of 1976 is satisfactory.

(d) Costs and Tariffs

6. The consultants, SOFRERAIL, have completed a cost study based on 1975 financial and statistical data. A tariff and cost analysis office has been

established within the Plannint Unit of ENFE, consisting of a chief and four analysts. The study indicates that the long-run marginal costs are 53% of the total normalized costs. The total freight revenues for carload and less-than-carload traffic cover the marginal and fixed costs, and contribute considerably toward interest and amortization payment, both on the western and the eastern networks, but the passenger revenues cover marginal costs only on the eastern network. On the western network, the revenues on sleeping cars, autocarriles and ferrobuses (special only) are considerably lower than the marginal costs. The cost study indicated that, in 1975, the passenger service operations had incurred 28% of the total costs, but had generated less than 15% of the total costs, revenues. Further, ENFE is planning to buy about 33 passenger cars during 1977/78. The mission has asked ENFE for full financial justification before any purchase is made, and has recommended that ENFE should conduct a detailed study of each passenger service comparing marginal costs, railway fares and bus fares and then take necessary action to reduce passenger losses. A proposal for such action be submitted to the appraisal mission for the proposed Third Railway Project. It is worth mentioning at this stage that the fuel prices have gone up since March 1976. The gasoline price has increased by 122%, fuel oil by 175% and diesel oil by 78%. This will have an impact on the costs of bus operations.

7. ENFE's freight rates are, in some cases, quite high in comparison with truck rates. The mission discussed this matter with the railways and suggested that a careful review of rates would be necessary. It suggested further that, if feasible, ENFE should reduce rates on some selected routes in order to attract more traffic.

8. SOFRERAIL has studied the tariff structure and prepared comparative statements of costs and tariffs by each commodity with different tonnage per car load, in case of freight, and by class of service (first class, second class, ferrobuses, etc.) and by routes, in case of passenger. However, SOFRERAIL has not commented on the adequacy of the present tariff structure. The mission has, therefore, asked ENFE to obtain such comments from SOFRERAIL and forward them to the Bank.

(e) Staff

9. ENFE reported that the total staff strength was reduced from 6,401 in 1973 to 6,336 in 1974 and 6,043 in 1975. The transfer of about two hundred medical employees to the Social Security system helped to improve ENFE's manpower. In the Action Program of the Loan Agreement (1121-BO), a goal was temporarily set for a total of 6,300 employees, pending a detailed study by ENFE. The Railways expect to increase manpower in the Ways and Works Department. It was emphasized that a complete manpower study should be submitted to the forthcoming appraisal mission in October 1976.

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS (ENFE)

Income Statement for 1974, 1975, January-April 1976 Actual and 1976 full year estimate

	1974 Actual Total System	1975 Actual Appraisal Forecast Total System	Western Net work	Eastern Net work	Total System	1976 (Jan-April) Actual Western Net work	Eastern Net work	Total System	1976 Full Year Appraisal Forecast Total System	ENFE Estimate Total System
Operating Revenues										
Passenger	41.9	49.6	36.6	19.3	55.9	16.3	7.9	24.2	53.3	72.4
Freight	233.1	412.0	290.6	165.0	455.6	89.2	48.9	138.1	432.7	479.0
Miscellaneous	22.8	14.0	31.2	27.0	58.4	9.9	4.9	14.8	14.8	37.2
Total Operating Revenue	297.8	475.6	358.4	211.5	569.9	115.4	61.7	177.1	500.8	588.6
Operating Costs										
Administration and General	41.1	56.8	39.3	12.2	51.5	14.3	5.0	19.3	57.9	59.0
Maintenance of Roadway, Telecommunica- tions and Signals	84.2	91.1	68.7	36.0	104.7	26.9	12.9	39.8	93.2	116.2
Maintenance of Equipment	54.3	56.5	46.7	21.1	67.8	16.5	5.9	22.4	58.1	67.4
Traffic and Commercial	53.7	69.7	42.9	16.9	59.8	13.8	6.1	19.9	71.8	61.9
Traction	40.4	70.0	34.7	14.2	48.9	17.8	6.7	24.5	80.3	75.9
Miscellaneous	32.7	17.1	11.9	64.6	76.5	7.3	10.4	17.7	18.0	45.3
Loss on subsidized food	44.1	43.7	34.3	9.0	43.3	13.6	3.1	16.7	44.4	45.0
Total Working Costs	350.5	404.9	278.5	174.0	452.5	110.2	50.1	160.3	423.7	470.7
Depreciation	40.3	51.8	36.2	14.2	50.4	13.2	11.0	24.2	54.1	86.2
Total Operating Costs	390.8	456.7	314.7	188.2	502.9	123.4	61.1	184.5	477.8	556.9
Net Operating Revenue (Loss)	(93.0)	18.9	43.7	23.3	67.0	(8.0)	0.6	(7.4)	23.0	31.7
Non-Operating Receipts	4.4	0.1	0.3	0.8	1.1	4.4	2.4	6.8	0.1	21.6
Non-Operating Expenses	8.2	0.2	0.5	1.2	1.7	-	0.2	0.2	0.2	(0.6)
Net Revenue (Loss) before interest	(96.8)	18.8	43.5	22.9	66.4	(3.6)	2.8	(0.8)	22.9	52.7
Loan Interest	6.3	15.4	11.4	-	11.4	3.6	2.2	5.8	18.2	23.1
Net Revenue (Loss)	(103.1)	3.4	32.1	22.9	55.0	(7.2)	0.6	(6.6)	4.7	29.6
Ratios										
Working Ratio %	118	85	78	82	79	95	81	91	85	80
Operating Ratio %	131	96	88	89	88	107	99	104	95	95
Time Interest Earned	-	1.2	-	-	5.9	-	-	-	1.2	2.3
Breakdown of Costs by "Labor" "Material" and "Other" Costs										
Labor	195.7	215.6	169.7	66.2	235.9	61.7	23.6	85.3	220.8	253.1
Fuel and Lubricant	32.7	50.0	23.0	9.4	32.4	14.8	5.3	20.1	60.0	59.0
Material	31.1	35.9	17.5	18.3	35.8	12.9	5.2	18.1	37.5	53.9
Contractors	1.8	9.7	15.1	38.6	53.7	2.3	0.9	3.2	9.8	9.8
Equipment Rental (Net)	30.2	25.0	3.2	5.0	8.2	4.4	7.9	12.3	25.7	32.8
Loss on Subsidized Food	44.1	43.7	34.3	8.9	43.2	10.9	5.1	16.0	44.4	45.0
Miscellaneous	15.2	25.0	15.7	27.6	43.3	3.2	2.1	5.3	25.5	17.1
Total	350.5	404.9	278.5	174.0	452.5	110.2	50.1	160.3	423.7	470.7

1/ Including revaluation of assets (estimated only - to be finalized by the end on December, 1976).

Source: ENFE and Mission Estimates.

September 1976

BOLIVIAFIRST AND SECOND RAILWAY PROJECTS

Cash Flow - 1975 Actual and 1976
Forecast
(in million pesos)

<u>Funds Required</u>	<u>1975</u> (Actual)	<u>1976</u> (Forecast)
Investment - Local	31.5	80.1
- Foreign	414.5	347.5
- Total	446.0	427.6
Debt Service - Interest	11.4	23.1
- Amortization	76.5	91.7
- Total	87.9	114.8
Increase/(decrease) in Working Capital excluding cash	59.0	24.0
Retirement benefits	23.9	-
Total Funds Required	<u>616.8</u>	<u>566.4</u>
<u>Funds Available</u>		
From railways: Cash generated from operation (deficit)	117.4	117.9
Net non-operating revenues (Loss)	(0 6)	21.0
Total	116.8	138.9
Borrowings - IBRD Loan	406.5	167.5
IDA Credit	8.0	-
Other	55.0	180.0
Total	469.5	347.5
Government contribution	31.5	80.1
Total Funds Available	<u>617.8</u>	<u>566.5</u>
Cash at beginning of year	27.0	28.0
Cash at end of year	28.0	28.1
Increase/(Decrease) in cash	1.0	0.1

Source - ENFE and Mission Estimate
September 1976

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Balance Sheets as of December 31, 1975, Actual and 1976 Estimate

	- - - - - \$b Million - - - - -	
	<u>1975</u> Actual	<u>1976</u> Estimated
<u>ASSETS</u>		
Fixed Assets - Gross	1,254	5,446
Less accumulated depreciation	(186)	(2,306)
Net Fixed Assets	<u>1,068</u>	<u>3,140</u>
Work - in - Progress	23	24
Current Assets:		
Cash	28	28
Sundry Debtors	247	210
Stores - Railway	84	92
- Pulperia	<u>4</u>	<u>5</u>
<u>TOTAL ASSETS</u>	<u>1,454</u>	<u>3,499</u>
<u>LIABILITIES</u>		
Current Liabilities		
Commercial	194	155
Social	<u>35</u>	<u>22</u>
Total	229	177
Long Term Debts	635	868
Reserves - Social	7	10
- Asset Revaluation	14	1,745
Equity	684	900
Less accumulated deficits	<u>(115)</u>	<u>(201)</u>
Net	569	699
<u>TOTAL LIABILITIES</u>	<u>1,454</u>	<u>3,499</u>
<u>RATIOS:</u> Current Assets/Current Liabilities	1.6	1.9
Current Assets /less Inventory/Current Liabilities	1.2	1.3
Debt/Equity	52/48	26/74

Source - ENFE and Mission estimate.

BOLIVIA

FIRST AND SECOND RAILWAY PROJECTS

Organization, Management and
Performance of Borrower

1. ENFE's performance continues to improve. Rehabilitation of freight cars was satisfactory; for the first half of 1976, 57% of the 1976 target was already met. Rehabilitation of the coaches, diesel locomotives and ferrobuses was as planned. The track rehabilitation program, however, is slow, particularly on the eastern network. It is necessary that ENFE assign a contractor for the rehabilitation of the permanent way.
2. While the Mechanical Department is performing satisfactorily, the Management, the Operations Department, and the Permanent Way Department are still lacking effective leadership. The matter has been brought to the attention of the General Manager who was also informed that his satisfactory action will be reviewed during the forthcoming appraisal in October/November 1976.
3. The Planning Department is functioning properly. It has produced a five year plan "Plan Quinquenal 1977-1981" for ENFE. Currently, it is in the process of preparing the information still needed for the Bank's appraisal mission.
4. ENFE has worked quickly in obtaining offers from suppliers through ICB procedures and, as a result, has saved most of the price contingency that was provided in the Investment Plan.
5. In the Finance Department, the mission noticed changes in the middle management; the new entrants lack technical capabilities in performing their tasks. The General Manager was asked to review the situation immediately so that improvements can be seen in this Department at the time of appraisal of the Third Railway Project.

BOLIVIA

PRE-APPRAISAL OF THE PROPOSED THIRD RAILWAY PROJECT

1. ENFE assured the Bank that, when the preappraisal mission arrived in La Paz all information required for appraisal would be ready; this was not the case, however. ENFE and SOFRERAIL did give the mission a five-year plan, 1977-1981, in which a great deal of useful information was available, but some of the important items were still missing. These were:

- (i) Methodology and preparation of the economic evaluation of the investment plan as a whole and its major components.
- (ii) Summarized investment plan and its subcomponents.
- (iii) Financial forecast. Income statement was completed but Cash Flow and Balance sheets were incomplete. On the last day of its stay, the mission was informed that the whole financial forecast would be prepared and kept in readiness for the arrival of the appraisal mission in La Paz. All future benefits arising from improvement in operations would be identified clearly and taken into consideration in the calculation of operating costs for 1977-1981.

2. The traffic forecast has been completed and is now under review by the mission. Regarding the economic evaluation, the mission suggested to ENFE a methodology that should be followed. Also, considering the very little time available to complete this task, the mission asked SOFRERAIL to arrange for another economist from Paris to go to Bolivia and speed up the work. This has been done, and Mr. Suassine, the additional economist, visited Washington on October 4, 1976 to discuss the methodology of economic evaluation with the Bank economist. The methodology proposed has been discussed before in the Bank with Messrs. Rafloski and Taborga. ENFE has promised to prepare all missing information for the appraisal mission. It is, therefore, the opinion of the Bank that if all the information is ready on time, the appraisal will be done as scheduled; otherwise, some delay might be encountered.

The 1977-1981 Investment Plan

3. The five-year Investment and Rehabilitation Plan was prepared by SOFRERAIL and ENFE's counterparts. A copy of this Investment Plan has just been received by the mission in Washington; therefore, it has not been thoroughly reviewed yet. Although some modifications are expected during appraisal, the original Plan is estimated to cost about US\$140.0 million, including 5% physical contingencies but excluding any price contingencies.

The foreign exchange component is of the magnitude of US\$94.0 million. The main objectives of the Plan are to continue the program of rehabilitation of track and rolling stock, to replace steam locomotives with more economical diesel locomotives for the western network following the example of the eastern network; to continue modernization of workshops in order to improve railway operating performance, and to provide ENFE with the needed rolling stock. To this Investment Plan, a sum of US\$1.5 million (tentative) should be added to cover the cost of the National Transport Survey for the period 1977-1978.

4. A summary of the Investment Plan is as set out below:

1977-1981 Investment Plan Summary

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>% of total Expenditur</u>
1. Way and Works	854.31	852.75	1,707.06	42.71	42.64	85.35	61
2. Telecommunications	0.60	15.00	15.60	0.03	0.75	0.78	1
3. Rolling Stock	-	720.0	720.60	-	36.03	36.03	26
4. Spare parts for motive power and rolling stock	-	113.60	113.60	-	5.68	5.68	4
5. Workshops	3.70	27.20	30.90	0.18	1.36	1.54	1
6. Technical Assistance	11.37	61.40	72.77	0.57	3.07	3.64	3
Total:	<u>913.48</u>	<u>1,880.15</u>	<u>2,793.56</u>	<u>45.67</u>	<u>94.01</u>	<u>139.68</u>	<u>100</u>

The table indicates that 61% of the Plan is allocated to Way and Works above, 26% to Rolling Stock and 3% to technical assistance, leaving only 10% for telecommunications, spare parts and workshops. The Bank has assigned about US\$35.0 million for external financing of the loan, beyond which ENFE and the Government of Bolivia have to arrange co-financing or bilateral financing.

The Project

The Project covers the period of 1977-1978 of the Plan and is summarized in the following:

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
1. Way and Works	425.67	442.50	-	21.28	22.12	43.40
2. Telecommunications	0.6	15.0	15.60	0.03	0.75	0.78
3. Rolling Stock	-	226.80	226.80	-	11.34	11.34
4. Spare parts	-	101.60	101.60	-	5.08	5.08
5. Workshops	3.70	27.10	30.71	0.19	1.36	1.55
6. Technical Assistance	5.00	27.0	32.0	0.25	1.35	1.60
Sub-total	434.97	840.00	1,274.97	21.75	42.00	63.75
Physical Contingency 5%	21.75	41.80	63.55	1.09	2.10	3.19
Total	<u>456.72</u>	<u>881.80</u>	<u>1,338.52</u>	<u>22.84</u>	<u>44.10</u>	<u>66.94</u>

The total foreign exchange component of the Project is US\$44.1, or 66% of the total amount.



Record Removal Notice

File Title Bolivia - ENFE - Phase 2 - BOL/72/002 - Volume 3		Barcode No. 30486951		
Document Date 09/17/1976	Document Type Letter			
Correspondents / Participants To: Mr. R. Buhler (LEG) From: Rita Parrilli (IRD)				
Subject / Title Bolivia Technical Assistance to ENFE				
Exception(s) Attorney-Client Privilege				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date May 23, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date May 23, 2025
Withdrawn by Salma Berrada	Date May 23, 2025			

OFFICE MEMORANDUM

*Bill
Bolivia
ENFE
yellow*

TO: Messrs. C. Buratti, TRUOP, C-H Mummie, LCPHW, and N. Rasheed, LCPPR *NR* DATE: August 20, 1976
FROM: E. Karman, Acting Division Chief, LCPPR *EK*
SUBJECT: BOLIVIA: Limited Supervision of ENFE's First and Second Railway Projects
(346-BO and 1121-BO)
Preappraisal of the Third Railway Project
Terms of Reference

1. On or about September 13, 1976, you will arrive La Paz for a limited supervision of Credit 346-BO and Loan 1121-BO, and a preappraisal of the Third Railway Project. The mission should last about five days. Mr. Rasheed will arrive La Paz from Bogota on September 11, 1976 and will lead the mission.
2. With regard to the First and Second Railway Projects you will:
 - a) Obtain information related to the railways' technical, operational, statistical, financial, and managerial matters in order to assess the progress made to date in implementing the Projects and achieving the targets specified in the Action Programs.
 - b) Review status on (i) final items of the procurement and disbursement, and the closing date for Credit 346-BO and (ii) the procurement and disbursement of Loan 1121-BO particularly the Ferrobuses from Germany and Passenger Cars from IMMAR, Chile.
 - c) Assess further improvements in the rehabilitation program of track, rolling stock and motive power. Also study the 1977-1978 work plan for the Uyuni and Robore workshops.
 - d) Review and discuss the technical assistance programs.
 - e) Review ENFE's financial results for the first half of 1976 and prepare a revised financial forecast for the full year. Also discuss with ENFE other financial matters such as auditors report on 1975 accounts and on revaluation of assets, and increases in wages and material prices in 1976.
 - f) Ensure that the newly established Planning Department is functioning satisfactorily and review status of the transport planning department of the Ministry of Transport.
 - g) Study and discuss the new staff plan prepared by ENFE and SOFRERAIL.

August 20, 1976

3. With regard to the preappraisal of the Third Railway Project you will:

- a) Examine the overall methodology for the 1977-1981 passenger and freight traffic forecast and Investment Plan, which are being prepared by ENFE and the consultants, SOFRERAIL, in order to define as closely as possible the investments required for rehabilitation of track, equipment and workshop, telecommunication and technical assistance. You will also attempt to establish the technical, economic and financial rationale of the Investment Plan.
- b) Review ENFE's and the consultants' calculation of economic costs and economic justification of the Investment Plan by principal components of the project.
- c) Review and discuss the accuracy of the financial forecast (Income Statement, Cash Flow and Balance Sheet) for 1977-1981 based on traffic forecast and Investment Plan.
- d) You will assess, if possible, the adequacy of the financing plan and the Governments' role in funding ENFE's Investment Plan for 1977-1981.
- e) Discuss the results of the cost studies of freight and passenger services and tariff policies as specified in items 4 and 5 of page 2 of the Aide-Memoire dated May 3, 1976.
- f) You will attempt to establish the present and future role of ENFE in the Bolivian economy, and in particular, in transportation.
- g) Study the present organization, administration and operation of ENFE and indicate if any improvements are necessary including training; and
- h) Agree with ENFE on all additional work required in preparation for the appraisal of the Third Railway Project scheduled to start in the field on October 27, 1976.

4. Upon your return to headquarter you will submit a combined Back-to-Office and Full Report on limited supervision of Credit 346-BO and Loan 1121-BO and a preappraisal report on the proposed Third Railway Project.

Cleared with & cc. Mr. Kikuchi

cc: Messrs. Wyss (LCPDR), Perez (LCNVP), Leibert (LC2DE), Newman (LCPPR), van der Tak (VPSVP), Jaycox (TRUDR), Bowron (P&B), Mole (CTRDD), Elliott (CTRDD), Lee (VPSVP), Parrilli (Int. Relations), De Castro (LCPHW), Mr. Magat (LCPPR), Mr. Spiers (LCPPR)

NRasheed/bht

BOL/74/019

→ BOL/74/002

July 1, 1976

Mr. Henry C. Meyer
Resident Representative of the
United Nations Development Programme
Casilla 686
La Paz
Bolivia

Dear Mr. Meyer:

BOLIVIA: BOL/74/019 - Technical Assistance to ENFE,
Phase III
BOL/72/002 - Technical Assistance to ENFE,
Phase II

We agree with the budgets for the above projects which you sent to us along with your letter of 4 June. Budget "H" for BOL/72/002 conforms with our disbursement figures and we, therefore, look forward to receiving from you the final budget for the project.

Sincerely yours,

Rita Parrilli
International Relations Department

Cleared in substance & cc: Mr. S. Chandra (Controller's)
Mr. R. Jones/Ms. R. Retiro (Controller's)

RParrilli/ck

ROUTING SLIP		DATE 15 June, 1976	
NAME		ROOM NO.	
Mr. R. Jones (Controller's)		N-433	
Mr. S. Chandra (Controller's)		E-531	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
For your clearance, please.			
Rita Parrilli			
FROM	IRD	ROOM NO.	EXTENSION
		E-806	2176

UNITED NATIONS



NATIONS UNIES

NACIONES UNIDAS

CASILLA 686
AV. ARCE No. 2525
EDIF. STA. ISABEL
LA PAZ - BOLIVIA

BK/dpg.

Cables: "UNDEVPRO" LA PAZ
Nos. "TELEX"
ALL AMERICA (YTT): 3560030
WEST COAST: BX5246

TELEF. 58589 al 58594

REFERENCIA: BOL/74/019)
BOL/72/002) 1250

4 June 1976

Dear Mrs. Boskey,

Subject: Final Revision: 1976

I am pleased to inform you that the Government of Bolivia has given its written approval to the revision of 1976 budgets prepared by this office in accordance with the financial ceiling of \$3.3 million established by UNDP Headquarters.

..... Please find enclosed copy of the approved budgets relating to the following projects implemented by IBRD:

BOL/74/019 - Technical Assistance to ENFE, Phase III
BOL/72/002 - Technical Assistance to ENFE, Phase II

On receipt of your approval of Budget "H" for BOL/72/002, forwarded with our letter of 14 April, we shall issue a final budget closing the accounts for this project.

Yours sincerely,

Henry C. Meyer
Resident Representative

Mrs. Shirley Boskey, Director
International Relations Department
World Bank
1818 H Street N.W.
Washington D.C. 20433

cc: Mr. Gomez, RBLA/UNDP, N.Y.

cc: Mr. R. Jones (Controller's)
Mr. S. Chandra (Controller's)

IRD

✓ 302/74/019
302/72/002 ✓

Revisión 17/5/76

DOL/72/002: ASISTENCIA TECNICA A INFE

		Deudas 1975 por pagar en 1976	Nuevo presupuesto para 1976	Disponible para 1976
10.	SUBCONTRATOS			
10.	GASTOS VARIOS			
54	Costos directos del PNUD			
59	Total			
99.	TOTAL GENERAL	-	-	-

Revisión 17/5/76

BOL/71/019: MITE (FASO III)

		Vendas 1975 por pagar en 1976	Nuevo presupuesto para 1976	Disponible para 1976
71.	SUBCENTRATOS	11,800	11,800	-
90.	TOTAL CENTRAL	11,800	11,800	-



Record Removal Notice

File Title Bolivia - ENFE - Phase 2 - BOL/72/002 - Volume 3		Barcode No. 30486951		
Document Date 05/03/1976	Document Type Letter			
Correspondents / Participants To: Mr. R. Buhler (LEG) From: Rita Parrilli (IRD)				
Subject / Title Bolivia Technical Assistance to ENFE				
Exception(s) Attorney-Client Privilege				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date May 23, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date May 23, 2025
Withdrawn by Salma Berrada	Date May 23, 2025			

BOL/71/525
BOL/72/002

11 March, 1976

Mr. Henry Meyer
Resident Representative
United Nations Development Programme
Casilla 686
La Paz, Bolivia

Dear Mr. Meyer:

BOLIVIA: BOL/71/525 - Technical Assistance
to ENFE, Phase I
BOL/72/002 - Technical Assistance
to ENFE, Phase II

We refer to your letters of February 11, 1976 to Mr. Bronfman enclosing rephased budgets for the above projects. Our records show actual disbursements through 1975 somewhat different from your rephased budgets. We are enclosing, therefore, three revised copies of each budget, duly signed on behalf of the Bank by Mrs. Shirley Boskey, Director, International Relations Department. Since we have no record of a previous "J" budget for Phase I or "Q" budget for Phase II, we have so designated the attached budgets to insure proper sequence.

We would appreciate your returning to us one original signed copy of each budget for our files. We would also be most grateful if you would address all future correspondence on UNDP operational matters to Mrs. Boskey. This will facilitate our prompt handling of your communications.

Yours sincerely,

Rita Parrilli
International Relations Department

Attachments

cc: Mr. Gabriel Valdes - w/copy attachments
Assistant Administrator & Director
Regional Bureau for Latin America
UNDP, New York.

Cleared with & cc:
Mr. S. Chandra (Controller's)
Mrs. E. Matthews (Controller's)

cc: Mr. G. Spier (Proj., LAC)

RParrilli/eps

UNITED NATIONS DEVELOPMENT PROGRAMME

Project Revision Form

Country : BOLIVIA
Project Title : Technical Assistance to ENFE - Phase II
Project Number : BOL/72/002/G/01/42

The attached budget of the above project is hereby rephased to reflect actual expenditures for the years 1974 and 1975.

Steve Bosley
Submitted on behalf of the Executing Agency

March 12 '76
Date

Approved on behalf of UNDP

Date

Project Budget Covering UNDP Contribution
(in US Dollars)

Country : BOLIVIA

Project Number : BOL/72/002/G/01/42

Project Title : Technical Assistance to ENFE - Phase II

	<u>Total</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
20. <u>SUBCONTRACT COMPONENT</u>				
21. Subcontract	1,146,445	811,704	290,292	44,449
29. Component Total:	1,146,445	811,704	290,292	44,449
50. <u>MISCELLANEOUS COMPONENT</u>				
59. Component Total:	615	-	-	615
99. GRAND TOTAL:	1,147,060	811,704	290,292	45,064

FORM NO. 75
(7-73)

WORLD BANK GROUP

ROUTING SLIP

DATE March 3, 1976

NAME

ROOM NO.

Mr. S. Chandra (Controller's)

E-531

Mr. R. Jones (Controller's)

N-433

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

COMMENT

PER OUR CONVERSATION

FOR ACTION

PER YOUR REQUEST

INFORMATION

PREPARE REPLY

INITIAL

RECOMMENDATION

NOTE AND FILE

SIGNATURE

REMARKS

Is this final revision OK?

FROM

~~Rita Parrilli~~
Int. Rel. Dept.

ROOM NO.
E-806

EXTENSION
2176

PROGRAMA DE LAS NACIONES UNIDAS
PARA EL DESARROLLO EN BOLIVIA

UNITED NATIONS



UNITED NATIONS
DEVELOPMENT PROGRAMME

NATIONS UNIES

NACIONES UNIDAS

CASILLA 686
AV. ARCE No. 2525
EDIF. STA. ISABEL
LA PAZ - BOLIVIA

TELEF. 58589 al 58594

REFERENCIA: BOL/72/002/298

BK/cag

Cables: "UNDEVPRO" LA PAZ
Nos. "TELEX"
ALL AMERICA (ITT): 3560030
WEST COAST: BX5246

11 February 1976

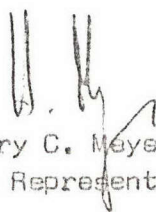
Dear Mr. Bronfman,

Subject: BOL/72/002/H - Technical Assistance to
ENFE - Phase II

..... With reference to UNDP instruction for rephasing of 1974
Project Budgets, please find enclosed Revised Budget "H"
reflecting 1974 expenditures as reported in IBRD cable of 24
March 1975 and rephasing of unspent balance to 1975.

Please accept our apologies for the delayed submission.

Yours sincerely,


Henry C. Meyer
Resident Representative

Mr. Jose A. Bronfman, Chief
Railways, Ports and Aviation Division
Latin America and Caribbean Regional Office
I B R D
WASHINGTON D.C.

UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT REVISION FORM

COUNTRY: BOLIVIA

PROJECT TITLE: TECHNICAL ASSISTANCE TO ENFE, PHASE II

PROJECT N°: BOL/72/002/H

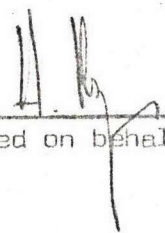
The attached budget of the above project is hereby rephased to reflect actual expenditures for the year 1974 and the consequential effect on the budgets for 1975/76.

Prefilled Document prepared by IBRD

Submitted on behalf of the Executing
Agency

31 Dec. 1974

Date


Approved on behalf of UNDP

12 Feb. 1976.

Date

Project # et Covering UNDP Contribution
(in US dollars)

Country:

Project No.:

Project Title:

BOLIVIA

BOL/72/002/H

TECHNICAL ASSISTANCE TO ENFE, PHASE II

PROJECT PERSONNEL

Experts

	TOTAL	19 73	19 74	19 75	19 76	19 77
	Man-months	Man-months	Man-months	Man-months	Man-months	Man-months
11-01						
11-02						
11-03						
11-04						
11-05						
11-06						
11-07						
11-08						
11-09						
11-10						
11-11						
11-12						
11-13						
11-14						
11-15						
11-16						
11-17						
11-18						
11-99	Subtotal 0.00	m/m 0 \$ 0	m/m 0 \$ 0	m/m 0 \$ 0	m/m \$	m/m \$

130472/0021-101/42

		TOTAL	1973	1974	1975	19__	19__
12	OPAS Experts						
12-01							
12-02							
12-99	Subtotal						
13	Support Personnel						
14	Volunteers						
16	Other Costs						
18	Prior 1972 Expenditures						
19	Component total						
28	Prior 1972 Expenditures						
29	SUBCONTRACT	<i>1,148,628</i>	811,704	290,292	<i>46,632</i>		
30	TRAINING						
31	Individual Fellowships						
32	Group Training						
33	In-Service Training						
38	Prior 1972 Expenditures						
39	Component total						
48	Prior 1972 Expenditures						
49	EQUIPMENT						
58	Prior 1972 Expenditures						
59	Miscellaneous	<i>615</i>			<i>615</i>		
90	Subtotal						
97	Cost-Sharing						
99	UNDP Total Contribution	<i>1,147,060</i>	811,704	290,292	<i>45,064</i>		

*omitted by
Chandra 3/10/76*

NOTE: (a) Expenditures, of 1973 and prior years should normally conform with amounts previously reported by the Executing Agency. These figures should be obtained from computerized budgets issued in 1974.
(b) Expenditures of 1974 should normally be recorded from Agency Delivery Reports (Pre-filled Document).