



**Executive Board of the  
United Nations Development  
Programme and of the  
United Nations Population Fund**

Distr.: General  
24 April 2002  
English  
Original: Spanish

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**Annual session, 2002**

17-28 June 2002, Geneva

Item 13 of the provisional agenda

**Country programming and related matters**

**Country programme outline for Bolivia (2003-2007)\***

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\* The collection and analysis of current data required to present the Executive Board with the most up-to-date information have delayed submission of the present document.

## Introduction

1. This document was prepared in accordance with national development priorities and, in particular, the Bolivian Poverty Reduction Strategy. During the preparation of the United Nations Development Assistance Framework (UNDAF) and the 2002 human development report for Bolivia, extensive consultations were held with Government authorities and representatives of political and social sectors, international organizations and the United Nations system.

### I. Situation analysis

2. Bolivia stands out among the countries in the region because of the intensity and complexity of its political and institutional reforms to modernize the State and improve the system of democratic representation. It has achieved significant levels of governance in circumstances of profound social and economic change and is relatively stable from a political standpoint. Since 1985, it has enjoyed macroeconomic stability and promoted a series of reforms that have liberalized much of the economy.

3. During 17 years of democracy, various pacts were signed between the different political parties to make governance viable. Today, however, Bolivia is at a turning point and undergoing a period of change. The recent economic crisis, added to the crisis in political confidence, new social protest and the continued existence of practices of paternalism and impunity affect the legitimacy of politics and reforms. The population is becoming deeply and increasingly critical of the limited effects of the reforms on economic growth and equity, and this has led to considerable social and political unrest and a demand for respect for the individual. Social and political leaders agree that the political and economic cycle that began in the 1980s has come to an end, but there is intense disagreement about possible solutions.

4. Even though the country has been able to reduce social exclusion, it has a very limited capacity to generate increased employment opportunities or significant improvements in the income of the poorest. The current economic development pattern is based on the exploitation of natural resources; it will be difficult to sustain in the long term and does not promote human

development. Mechanisms must be found that will improve economic growth and competitiveness, promote human development and guarantee the poor access to natural resources and their sustainable use.

5. Bolivia has constantly improved its human development levels, although it is still among the countries with an average human development index of 0.648 (2001). Between 1992 and 1999, poverty decreased by 7.3 per cent (from 70 per cent to 62.7 per cent), and extreme poverty declined from 37 per cent to 36.5 per cent. If this trend is maintained, it will be difficult to achieve the goal of reducing extreme poverty by half by 2015. The perspectives are better as regards universal primary education, since it is estimated that this goal will be achieved towards 2015. With regard to gender equality and the empowerment of women, some progress has been made towards reducing discrimination, increasing women's participation in social and economic decisions and their years of schooling.

6. Efforts have been made to promote a more equitable geographical distribution of public resources, as well as popular participation, decentralization and "town hall" meetings, in order to define the bases for policies rooted in local requirements. The Bolivian Poverty Reduction Strategy (June 2001), access to 1.6 million dollars in resources from the Heavily Indebted Poor Countries Initiative, and the Dialogue Act establish mechanisms for allocating resources to the poorest municipalities. The Act also establishes an institutional framework for social dialogue and participatory mechanisms for social control. The political legitimacy of these initiatives must be strengthened.

7. The lack of social equality between men and women, regions and ethnic groups requires increased convergence and coordination of social and economic policies. Bolivia is also experiencing significant problems owing to the globalization process and must act with coherence, maintaining its identity and integrating globalization at all levels, from local to regional. The new information and communication technologies (NICT) provide an opportunity to give the poor access to a modern and inclusive participation in civic affairs and the necessary skills and knowledge to take part in public life and play a productive role in society.

8. In brief, the situation in 2000-2001 is characterized by a profound economic crisis and a growing questioning of Bolivian democracy and its results. As indicated above, there are symptoms of fragmentation and a significant lack of political and social confidence, which are reflected in increasing discord and new forms of social protest. The change of Government (August 2002) is an element of uncertainty but, at the same time, offers opportunities for promoting human development.

9. The development plan indicates also that the medium-term goal is to achieve social justice and strengthen democracy with greater access to education, food, health, housing, culture, leisure activities and security. Social justice is strengthened when collective interests have priority over individual interests. To this end, a shared responsibility is established between the State and society as a whole, as the legitimate and effective expression of civic power and its participatory and leadership role.

## **II. Past cooperation and lessons learned**

10. In the previous cooperation framework (1997-2002), the UNDP office in Bolivia supported the national execution modality in a wide variety of sectors: economic, social, environmental and institutional. In the future, initiatives should be less disperse in order to achieve sustainable results.

11. The transition to new action strategies and the promotion of policy analysis, advice and dialogue capacity was initiated on the basis of the UNDP work plan. At the same time, the systematic use of social communication, promotion and dissemination began to receive attention and also the need to establish partnerships with strategic leaders in the Government, civil society and international cooperation. The result has been the expansion of such partnerships, greater visibility and recognition, and increased credibility and legitimacy in dealing with clients, partners and society as a whole.

12. Three national human development reports were prepared (1998, 2000 and 2002). An applied human development team was set up and it provides training and advisory services. Human development has now become one of the principal reference points for reflection on the country's development and on

democratic governance, and it is not limited to periodic discussions, but forms part of the global agenda.

13. UNDP has played a key role in facilitating social dialogue and concerted action owing to its capacity for reflection and the growing confidence it has earned from social and political leaders. It promoted and supported the organization of two national dialogues (1997 and 2000) and several discussion meetings in different parts of the country. More than 3,000 persons took part in the national dialogue in 2000; this was an extraordinary social planning event, which made it possible to incorporate grass-roots social demands and also made a key contribution to the Bolivian Poverty Reduction Strategy. These processes now require an institutional framework.

14. Support has been provided to political consultation processes such as the one concluding with the signature of a memorandum of understanding between the various political parties; this covered electoral and constitutional reform, the economic crisis and employment, and the fight against corruption, among other issues.

15. As of 2001, UNDP has obtained a considerable increase in resource mobilization. Programme execution increased by over 130 per cent in relation to the previous year. During the current cycle, financial execution has exceeded the planned level of 119.5 million dollars by 34 per cent.

16. During the 1997-2002 cycle, a substantial advance was made in coordinating the agencies of the United Nations system. The results of this coordination are reflected in the common country assessment (CCA) and UNDAF. Greater coordination in the latter's implementation is necessary, as well as progress on joint programming.

## **III. Proposed programme**

17. The programming cycle covers the period 2003-2007, which coincides approximately with the term of the new Government and is in line with the programming cycles of the United Nations Population Fund, the United Nations Children's Fund and the World Food Programme.

18. As indicated above, the country is experiencing change in both the dynamics of the economy and the content of democracy. There is a significant

opportunity for promoting approaches and policies in the field of human development and the combating of poverty in a decisive manner. In accordance with the UNDAF goals and the Bolivian Poverty Reduction Strategy, three proposals are put forward.

### **A. Political and institutional capacity-building**

19. Capacity-building is necessary in order to improve governance, human development levels and the sustainability of State strategies to combat poverty. This corresponds to the UNDAF goal of strengthening the institutional capacities of both the central Government and municipal governments and to the component of the Bolivian Poverty Reduction Strategy relating to the promotion of social integration and participation.

20. The 2000 and 2002 national human development reports have shown empirically that, within the existing socio-economic heterogeneity and cultural and ethnic diversity, Bolivian society has a great capacity for resolving its problems and determining its options through consultation and dialogue, provided that agreements are reached on the basis of the results and popular participation and transparency in management and accountability fostered. Consultation processes must be encouraged in order to develop political and institutional capacity. Conflict prevention and resolution policies should be promoted and also programmes to strengthen management and negotiating skills. The local environment is the preferred place to promote human development and democracy, because it is close to the people. Partnerships should be forged with the State, the Church, the media, local municipal networks, international cooperation organizations, and political and social leaders.

### **B. Development of the productive capacity of poor and excluded social sectors of society**

21. This issue corresponds to the UNDAF goal of contributing to the design, implementation and monitoring of policies, programmes and projects that help to reduce poverty and all forms of social exclusion, and to the components of the Bolivian Poverty Reduction Strategy relating to promotion of

social integration and increase of employment and income opportunities.

22. Synergetic effects must be achieved between the potential of the excluded sectors and the modernization processes of society as a whole. The aim is for the poor to become key actors in their own development, both through their social action and by acquiring knowledge in order to augment their productivity in increasingly competitive circumstances. This calls for implementing development strategies at the level of the family, the community and the subregion, which, in turn, requires expanding access to services, markets and social protection. The central Government and the municipal governments, rural and urban community associations, non-governmental organizations, international cooperation organizations, the private sector and the United Nations funds, programmes and agencies are important partners in this respect.

### **C. Promotion of civil society participation in decision-making**

23. Promoting individual and community participation in times of increasing globalization corresponds to the UNDAF goal of encouraging civil society participation in the decision-making processes at the political, social and economic level and the Bolivian Poverty Reduction Strategy's capacity-building component.

24. For Bolivia to become integrated in the globalization processes actively and coherently, while maintaining its identity, individuals must acquire the necessary skills and knowledge to function in an information-based society and economy. The country must also formulate strategies on access to NICT. From the human development perspective it is important to achieve a modern citizenry based on cultural pluralism and with the ability to manage information and know-how systems. The next Bolivia human development report in 2004, which will deal with the information society, will be an important resource to plan initiatives in this respect. UNDP must establish partnerships with the Office of the President of the Republic, the Ministries of Education and Economic Development, and municipal and community networks. It must also seek the support of the private sector, the Global Digital Opportunity Initiative, multilateral bodies such as the Inter-American Development Bank, the World Bank and agencies of the United Nations system and,

above all, international foundations and academic centres with experience in the field. Support will be provided by the subregional resource facility (SURF), particularly in the case of ICT.

25. UNDP will be able to provide advice on the implementation of the human development concept through public policy, taking advantage of its experience in managing development processes, communication strategies, training, promotion and evaluation. It is also important to strengthen and use the pilot experience of the applied human development team.

26. As the attached table shows, the proposed areas of work correspond to five of the six areas of concentration defined by UNDP: poverty reduction, democratic governance, energy and the environment, ICT, and crisis prevention and recovery. Under the proposed programme, human development concepts will be put into practice and incorporated into operations.

#### **IV. Programme management, monitoring and evaluation**

27. The structure and staffing of the UNDP office have been reorganized to adapt them to the new UNDP profile and strengthen their ability to provide advice on public policy, high-quality training, development services and support for the agencies of the system. A triangular action framework has been established with a substantive analytical component (the applied human development team), a public policy component and a project administration component.

28. Resources must be used strategically for activities to promote, evaluate and discuss public policy and execute pilot projects that use innovative intermediate and advanced technologies, develop national and local capacity and take advantage of partnerships with the private sector, civil society and international organizations. The guiding principles are: results-based, high quality services to clients and partners, and responsible management.

29. The aim is to strengthen an institutional culture based on managing knowledge and learning, taking advantage of UNDP global networks, establishing strategic partnerships at the local, regional and

international level and offering more efficient services by optimizing the electronic network.

30. The programme will be monitored and evaluated with the participation of interested parties, based on results and UNDAF priority areas, the strategic results framework (SRF) and the result-oriented annual reports (ROAR). The latter set out indicators and specific goals: at the global level, goals, sub-goals and strategic areas of support; and at the country level, short- and medium-term results and outputs. It will also be important to promote the development of the monitoring and evaluation capacity of partners.

31. The evaluation will be results-based and will be conducted with the strategic partners on the basis of information from project monitoring. To facilitate effective monitoring, each result, at the different levels, will have measurable and reliable indicators.

32. The programme will be carried out using the national execution modality in the main. The sustainability of the management strategy is based on increasing the volume of shared costs, supporting the formulation of strategic projects and obtaining income for advisory services (the applied human development team), and recovering expenses incurred by the UNDP Office. This revenue will generate extrabudgetary resources that will support new programme and service initiatives.

## Results and resources framework

<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
<b>Goal 1: Support for the elimination of exclusion and poverty</b>				
Awareness-raising and promotion of public discussion on sustainable human development	Expansion of public discussion and use of sustainable human development concepts in policy formulation and implementation	<p>Sustainable human development concepts incorporated operationally into policies and strategies</p> <p>Baseline: Development concepts have been incorporated into the Bolivian Property Reduction Strategy and the Government Plan (12 months)</p> <p>Target: The government plan 2002-2007 includes proposals for policies based on sustainable human development concepts, which are being put into practice</p>	<p>Publication of national and regional human development reports and thematic documents</p> <p>Formulation and implementation of dissemination strategies for these reports</p> <p>Establishment and continuity of the Human Development Forum with the participation of Government officials and civil society</p> <p>Human development advisory services, political dialogue, promotion and training for local, national and international entities (applied human development team)</p>	<p><i>Regular resources:</i></p> <p><i>Other resources:</i></p> <p>Government cost-sharing Third-party cost-sharing Trust funds</p> <p>Total: 24 587</p>

<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
	Increased political and institutional capacity for democratic conflict management	Indicators of satisfaction with democracy and institutions measured by opinion polls  Baseline: 26% (opinion polls and studies, November 2001)  Target: 60%	Public entities and civil society trained in human rights and conflict management  Greater access of individuals to support services for peaceful resolution of conflicts  Electoral institutional framework established and political parties strengthened	<i>Regular resources:</i>  <i>Other resources:</i>  Government cost-sharing Third party cost-sharing Trust funds  Total: 23 000
Public administration efficiency and accountability	Greater efficiency and equity in the provision of public services	Number of public entities institutionalized  Baseline: Institutionalized entities: National Customs Service and Ministry of Agriculture; institutionalization under way: National Highways Service and National Internal Revenue Service  Target: Half the national services and ministries	Implementation of programmes to enhance the management capacity of key public entities	<i>Regular resources:</i>  <i>Other resources:</i>  Government cost-sharing Third-party cost-sharing Trust funds  Total: 25 802

<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
<b>Goal 2: Development of the productive capacity of poor and excluded sectors of society</b>				
Access to productive resources and assets	Increased capacity of the poor to earn their living	Net underemployment rate or compound unemployment rate  Baseline: 18.89% (National Statistics Institute, November 2000)  Target: 13.5%	Formulation of strategies and policies to increase productive capacity in rural areas and the establishment of strategic alliances  Formulation and execution of pilot programmes and projects to increase productive capacity in rural areas	<i>Regular resources:</i>  <i>Other resources:</i>  Government cost-sharing Third-party cost-sharing Trust funds  Total: 19 000
Formulation and implementation of macro policies and strategies to reduce poverty	Strengthening of Government capacity to implement, monitor and evaluate poverty reduction strategies, promoting, in particular, civil society participation in the process	Government mechanisms for monitoring poverty reduction strategies incorporate representatives of civil society  Baseline: Legal framework adopted: Dialogue Act  Target: Implementation of the Dialogue Act	Improved programmes for the implementation of mechanisms for monitoring and evaluating the effects of poverty reduction policies  Programmes to support the civil society's control of the planning, monitoring and evaluation of poverty reduction policies	<i>Regular resources:</i>  <i>Other resources:</i>  Government cost-sharing Third-party cost-sharing Trust funds  Total: 67 000



<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
Regulatory framework and national policies for sustainable environmental development	Broad-based approach to sustainable development: the environment incorporated into strategies to combat poverty; in particular, ensuring that the poor have rights of access to natural resources	Government adoption of the national sustainable development strategy, with implementation of national goals  Baseline: Formulation of the national sustainable development strategy  Target: Government adoption and implementation of the national sustainable development strategy	Proposal and discussion of strategies and policies on municipal environmental issues (poverty-related contamination)  Formulation and execution of projects and programmes on biological diversity in poor rural municipalities	<i>Regular resources:</i> 2 590  <i>Other resources:</i> Government cost-sharing Third-party cost-sharing Trust funds  Total: 26 410
Programme and administrative coordination and collaboration within the framework of the resident coordinator system	Greater effectiveness and continuity of the resident coordinator system mechanisms for planning and programming at the country level	Number of activities jointly formulated, executed and financed  Baseline: Three thematic groups and an inter-institutional committee functioning; CCA and UNDAF completed  Target: CCA updated, UNDAF implemented and evaluated	Implementation of UNDAF, led by the resident coordinator/ resident representative  Execution of systematic evaluations and preparation of reports on compliance with the Millennium Development Goals, coordinated by UNDP	<i>Regular resources:</i>  <i>Other resources:</i> Government cost-sharing Third-party cost-sharing Trust funds  Total: 1 250

<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
<b>Goal 3: Promotion of civil society participation in the adoption of political, social and economic decisions</b>				
Capacity-building and promotion of partnerships between local authorities and civil society organizations	Increased participation and capacity of municipal authorities and communities in the planning and management of development activities, including the provision of public services	Establishment of a legal framework for the provision of public services by municipal governments  Baseline: Existing laws grant local governments and civil society partial responsibilities  Target: Revision of the legislation to ensure greater coherence in the distribution of obligations	Formulation and execution, with community participation, of institution-building programmes for municipal governments	<i>Regular resources:</i>  <i>Other resources:</i> Government cost-sharing Third-party cost-sharing Trust funds  Total: 9 000
Access to ICT and their use	Formulation and implementation of the national ICT strategy and increased capacity of the population to take part in economic, social and political affairs	National ICT strategy adopted by the Government and being implemented  Baseline: National ICT strategy formulated  Target: National ICT strategy being implemented	Discussion, dissemination and implementation of the national electronic media strategy, promotion of partnerships with key actors and execution of pilot projects  Implementation of pilot programmes to promote the access to ICT of vulnerable groups	<i>Regular resources:</i>  <i>Other resources:</i> Government cost-sharing Third-party cost-sharing Trust funds  Total: 5 000

<i>Strategic areas of support</i>	<i>Intended outcomes</i>	<i>Outcome indicators or goal</i>	<i>Outputs, including key output indicators, where applicable</i>	<i>Resources by strategic areas of support/outcome or programme area (In thousands of US dollars)</i>
Promotion, networks and partnerships to achieve gender equality	Strengthening gender equality as a central element of the poverty reduction strategy and of projects and programmes	<p>Policies and programmes that incorporate gender equality as a central element</p> <p>Baseline: The Bolivian Poverty Reduction Strategy has a gender equality component</p> <p>Target: Gender equality policies and programmes incorporated into the Bolivian Poverty Reduction Strategy that is being implemented</p>	<p>Evaluations and proposals of public policies on gender issues</p> <p>Strengthening of networks between Government, civil society and international cooperation organizations</p> <p>Formulation of gender equality projects and programmes</p>	<p><i>Regular resources:</i> 2 000</p> <p><i>Other resources:</i> Government cost-sharing Third-party cost-sharing Trust funds</p> <p>Total: 2 000</p>