

PLAN OF OPERATIONS MEMORANDUM
BOLIVIA
HIRING OF CONSULTING SERVICES
ROAD ADMINISTRATION DECENTRALIZATION PLAN

(TC-93-09-47-9)

I. BACKGROUND

- 1.1 In 1990, Bolivia's Ministry of Planning and Coordination asked the regional section of the Public Sector Economic Management Strengthening Operation (EMSO) program, attached to that ministry, to formulate a proposal for the institutional, fiscal, and financial decentralization of various government sectors, including the road infrastructure sector. Subsequently, the EMSO - together with members of the national parliament and representatives of civic committees from across the country - participated in the analysis and consultation phase of preparing draft legislation on decentralization and transmitting it to the legislative branch. The EMSO's responsibilities have since been expanded to include contributing to the design of initial actions aimed at initiating partial decentralization of selected sectors.
- 1.2 The agency responsible for Bolivia's road system is the Servicio Nacional de Caminos [National Highway Administration] (SNC), under the Transportation and Communications Secretariat. Because the need for more and better communication routes, primarily at the regional level, exceeds the SNC's institutional, financial, and operating capacity, the regional development corporations [corporaciones regionales de desarrollo] (CORDES) of Bolivia's nine departments have become involved in the road sector. These activities required an investment on the order of US\$50 million in 1992 and often are executed without proper planning. As a result, financial assistance is often needed, thus putting a strain on the SNC's scarce financial resources and adversely affecting its road maintenance activities.
- 1.3 In view of this situation, the national government believes that decentralization of the road subsector is an urgent priority in order for responsibilities, jurisdictions, and administrative actions to be properly delimited at the national and departmental levels. The new government's action plan, called *Plan de Todos* [Plan for Everyone], specifies that the SNC will be decentralized once a decision is reached on the optimal size for it. In addition, decentralized departmental units will be made responsible for maintaining and rehabilitating all departmental, feeder, and local roads.
- 1.4 The EMSO program has designed a preliminary classification of the Bolivian road system (approximately 41,000 km), creating two categories: the interdepartmental road system, with a length of approximately 8,000 km, will continue to be the responsibility of the national government through the SNC; while the feeder and local

road system, totaling some 33,000 km, will be the responsibility of the departmental governments through the departmental road administrations [*direcciones departamentales de vialidad*] (DDV) to be established. This distribution of responsibilities and the data bank of the investment information system [*Sistema de Información sobre Inversiones*] (SISIN) have been taken into account in the master transportation plan currently being contracted out.

- 1.5 Most of the country's feeder and local roads were not built on the basis of engineering projects and therefore lack proper technical characteristics to ensure their functionality and durability. Moreover, these roads are in poor condition (with some 60% in very poor condition) because of the lack of a suitable, ongoing plan for consolidation and maintenance, whether routine or periodic. This situation becomes worrisome in view of its impact on the production costs and access to markets and services of many of the country's rural inhabitants. It is therefore necessary to put forth a comprehensive and more wide-ranging effort towards planning and effective improvement of the existing and future rural road system in order to establish the technical, institutional, and physical bases needed for concerted economic development. In this context, it is critically important that clear mechanisms be identified to implement the administrative decentralization policy in the road subsector.
- 1.6 The road subsector decentralization plan proposed by the EMSO program sets out the areas of competence of the national government and of the departmental governments and subdepartmental districts and defines the general institutional and functional characteristics of the DDVs. In addition, the plan examines various possibilities for distributing equipment as well as human and financial resources.
- 1.7 In this regard, the Transportation and Communications Secretariat, the SNC, and the departmental authorities have deemed it advisable to study and formulate a road administration decentralization plan that - together with a national investment and maintenance program for departmental road systems, which would have nine subprograms (one for each department) - will effectively promote decentralization and deconcentration in the road subsector. Such a plan will incorporate efforts now, or soon to be, under way in the departments, making them consistent with each other, where appropriate, and systematizing regulations and construction and maintenance procedures, ^{1/} thus implementing the general thrust of the EMSO program and ensuring availability of financing that will increase over time.

^{1/} Feasibility studies for feeder roads in the Departments of Potosí and Chuquisaca are expected to be financed under the multisector preinvestment program (888/SF-BO) approved by the IDB in August 1992.

II. PROJECT OBJECTIVES AND SCOPE

- 2.1 The Government of Bolivia, through its Ministry of Finance and Economic Development, has requested technical-cooperation funding from the Bank (Annex I), to be drawn from the Italian Trust Fund, in order to formulate a road administration decentralization plan that includes a national investment and maintenance program for departmental road systems that have been or are scheduled to be transferred to departmental jurisdiction, with the respective financing strategy. The final goal of the project is to produce a properly designed and organized process to decentralize the road subsector in all departments of the country, while satisfying the need for access to rural areas and taking into account economic considerations and interregional balances.
- 2.2 A plan needs to be developed to: (a) provide a structured approach for meeting the road-related needs of Bolivia's various departments; (b) ensure appropriate conditions for improved access so as to facilitate production and the delivery of basic social services; (c) develop mechanisms to ensure the availability of financial resources needed to maintain the departmental road systems; and (d) provide support and institutional strengthening.
- 2.3 A realistic program is needed in order to initiate and achieve decentralization, for which purpose the project includes the following actions: (a) carry out a complete survey of the feeder and local road system and classify it by function and jurisdiction; (b) schedule short- and medium-term maintenance for both road systems; (c) perform a detailed analysis of the general and specific, administrative and organizational functions of the road subsector that should be adopted at the departmental level on either an ongoing or transitional basis, quantifying human resources and functions in detail and their distribution at the departmental and subdepartmental level; (d) develop systems - or transfer those already in place at the SNC - in the areas of programming, environmental protection, evaluation, contracting, and project follow-up; (e) allow for efficient linkage of departmental, national, and other support agencies; and (f) conduct a detailed analysis of needs and investments and of the financing, allocation, and administration of departmental and national financial resources.
- 2.4 The Environmental Management Committee, at its meeting of November 23, 1993, classified this as a Category II operation.

III. EXECUTION PERIOD

- 3.1 Funding from the Italian government - through the CT/FONDOS program - will be used to carry out the decentralization plan, as described in chapter II, and the national investment program and, in accordance with the guidelines of that fund, no international

competition will be required for hiring the consulting firm. An Italian consulting firm from the IRI Group, Società Tecnica Internazionale (SOTECNI S.p.A.), will be hired in accordance with the terms of reference (Annex II) for an estimated period of 12 consecutive months, for a total of 59 person/months, including international and local specialists and technical experts.

IV. JUSTIFICATION

- 4.1 The Government of Bolivia has assigned top priority to the rehabilitation and maintenance of the country's economic infrastructure, and in particular the rural transportation sector, given its state of disrepair and the need for a road system in good condition able to support agricultural activities. The road administration decentralization plan for departmental roads is fully consistent with the government's stated strategy. Similarly, the government has confirmed the urgent need to support the plan through a series of technical-cooperation operations that will make it possible to complete preparation of an institutional-strengthening and investment operation, to be presented to the Bank for financing.
- 4.2 The Bank has noted that the National Highway Administration and the development corporations lack sufficient staff and resources to bring the operation to the level of preparation the Bank requires in order to process it. Granting this nonreimbursable technical-cooperation funding is therefore recommended so as to support the government in preparing a possible future operation.
- 4.3 The request made by the Government of Bolivia (see Annex 1) focuses primarily on financing for the hiring of the Italian consulting firm. This is justified in view of the fact that the consulting firm recommended and selected by the IRI Group has the necessary experience and staff for this type of project.
- 4.4 The results of this technical cooperation will make it possible to determine the size of the operation on the basis of detailed studies of one of the works components to be executed during the first year. In addition, the participation of the consulting firm will make it possible to improve and streamline the activities to be carried out with the available resources and, at the same time, give focus to the entire program.

V. RISKS

- 5.1 While the larger development corporations have the funds in their own budgets and from international and multilateral agencies necessary to build new feeder and local roads, there has never been an organized effort to prioritize activities, define appropriate technical standards, and maintain roadways. Accordingly, the basic objective of this study is to make optimal use of resources, create

a suitable institutional structure, and train staff in each department, thereby cushioning any risk in connection with this operation.

VI. PROJECT EXECUTION

6.1 The design of the road administration decentralization plan, the associated national investment and maintenance program for departmental road systems, and the strategy for achieving the objectives described provide for the following lines of action:

- a. Analysis of the situation and identification of institutional needs.
- b. Agreement between the Transportation and Communications Secretariat, the SNC, and the CORDES, with the participation of the EMSO, on the delimitation of areas of responsibility.
- c. Design of the process for transferring responsibilities and institutional administration mechanisms at the departmental level.
- d. Formulation of an investment program for new access roads, improvements, and road rehabilitation and maintenance in each department, including the respective financing.
- e. Transfer procedures, and financing and execution of the plan.
- f. Formulation and execution of an ongoing follow-up and evaluation system.

6.2 The programs formulated will be implemented separately in each department, taking into account their different levels of preparation and available resources. Nevertheless, all the programs will conform to the common procedures and frames of reference to be developed, evaluated, and recommended under the plan.

6.3 Annex II to this document contains detailed information on the main actions to be carried out under the project. This information will serve as the pertinent terms of reference.

6.4 The project will be executed within a period of 12 months. The table below shows the time required to conduct the studies needed for the investment and maintenance program for departmental road systems, which will be executed during the first year.

ACTIVITY	MONTHS			
	3	6	9	12
Analysis and identification of needs (4 months)	XXXXXXXXXXXXXXXXXXXX			
Alternative proposals and evaluation (8 months)	XX			
Formulation of plan (3 months)	XXXXXXXXXXXXXXXXXXXX			

6.5 For execution of the project, the consulting firm will detail a team of five international experts and six local consultants for periods of between 2 and 12 months, for a total of 59 person/months. The following experts will be involved in project execution:

Months

a. International consultants:

One consultant on technical and organizational issues	12
One road administration consultant	10
One financial consultant	9
One road engineer	10
One consultant on institutional issues	6

b. Local consultants:

One legal advisor	
One economist	2
One agricultural economist	2
One environmental expert	2
One structural engineer	2
One hydrological engineer	2

6.6 The terms of reference that will govern the individual tasks of these consultants are included as Annex II to this document. In addition to the professional staff already indicated, the firm will have the following support staff, to be hired locally:

Months

One bilingual executive secretary	12
One secretary/receptionist	10
One accounting/administrative assistant	12
One messenger	12

- 6.7 The Transportation and Communications Secretariat will appoint a plan coordinator, not financed under the project, who will be in charge of coordinating the activities of the executing unit. The SNC and the development corporations will contribute by assigning permanent technical staff on a full-time basis to participate in the formulation of the investment and maintenance program for departmental road systems, which will be executed during the first two years after implementation of the road administration decentralization plan.

VII. COST AND FINANCING

- 7.1 The total cost of this nonreimbursable technical-cooperation project has been estimated at the equivalent of US\$800,000, which will be provided by the Italian Trust Fund of the Istituto per la Ricostruzione Industriale (IRI). The budget that appears below is a summary of the cost proposal negotiated with the consulting firm, which appears in Annex IV.

1. Professional services firms

1.1 Fees	739,992
1.9 Other	27,000
98. Contingencies	<u>33,008</u>
TOTAL	<u>800,000</u>

- 7.2 The Transportation and Communications Secretariat will contribute to project execution by providing all necessary furnished office space and one vehicle for ground travel.

VIII. DISBURSEMENTS

- 8.1 Payments agreed upon on the basis of the technical and cost proposal presented by the consulting firm of SOTECNI will be disbursed as follows: 20% upon signature of the contract; 20% upon delivery of the analysis report (four months); 20% upon delivery of the report containing alternative proposals (nine months); 20% upon delivery of the draft study (12 months); and the remaining 20% upon the Bank's approval of the final version of the studies.
- 8.2 The basis for payment presented and agreed upon in the proposal is an aggregate amount based on results rather than amount of time worked, as indicated in the preceding paragraph. The deadline for disbursement in full of the proceeds of this operation will be 15 months after the date of its approval by the Bank's Board of Executive Directors.

IX. RESPONSIBILITY

- 9.1 The IRI Italian Trust Fund has suggested to the Bank that the consulting firm of SOTECNI S.p.A., which has extensive experience in this area, be hired to perform the work.
- 9.2 In order to accomplish the objectives of this operation, the support and cooperation of staff from the National Highway Administration (SNC) and the development corporations (CORDES) will be needed.
- 9.3 The Italian consulting firm has received the terms of reference provided by the Bank, visited the project area, and presented its technical and cost proposal and its schedule of activities to the Bank. Once the operation has been approved by the Bank, the consulting firm will begin working in Bolivia and the bases for structuring the work program will be agreed upon, subject to approval by the Transportation and Communications Secretariat and the Bank.
- 9.4 The working group 2/ assigned to prepare the operation will have basic and technical responsibility for the plan of operations. Division I of the Operations Department and the Transportation and Communications Division of the Project Analysis Department will support and supervise the team's activities. The Country Office in Bolivia will support the work of the consulting firm in the field and will maintain contact with the agencies involved.

X. REPORTS

- 10.1 During the course of its work, the consulting firm will submit the respective reports as agreed upon. When the study is completed, it will submit a final report with engineering plans, technical specifications, and estimates of amounts and the cost of the construction work, as well as the respective bid specifications.
- 10.2 The consulting firm will submit to the Transportation and Communications Secretariat and to the Bank: (i) an initial report, on its plans of activities within 15 days following the initiation of work; (ii) a diagnostic report, after four months; (iii) a report on the alternative proposals, after nine months; and (iv) a draft version of the plan, after 12 months.

2/ Working group: Raúl Baginski (OPI/OD1), Philippe Dewez (PRA/TRC), Rodolfo Huici (PRA/TRC), María Eugenia Castro (PRA/TRC), and Pablo Alonso (LEG/ORI).

XI. CERTIFICATION

- 11.1 The chief of the Bank's Technical Cooperation Unit has certified that there are sufficient resources in the Italian Trust Fund (IRI), up to the equivalent of US\$800,000, available to finance the activities proposed herein (see Annex IIIb).

XII. RECOMMENDATION

- 12.1 The chiefs of the Operations (OPI/OD1) and Transportation and Communications (INF/TRC) Divisions, having submitted this document to the Loan Committee for consideration, in accordance with Resolution DE-51/91, recommend that the use of the resources of the Italian Trust Fund, in the amount of US\$800,000 equivalent, be authorized to provide nonreimbursable financing for the proposed operation described in this document.

ANNEXES:	Annex I	Request from the Government of Bolivia
	Annex II	Terms of reference for the study
	Annex IIIa	Letter of nonobjection from the Italian Ministry of Foreign Affairs
	Annex IIIb	Certification of the Technical Cooperation Unit
	Annex IV	Project budget

PROPOSED RESOLUTION

BOLIVIA. NONREIMBURSABLE TECHNICAL COOPERATION IN AID OF THE ROAD
ADMINISTRATION DECENTRALIZATION PLAN

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Italian Trust Fund of the Industrial Reconstruction Institute (IRI), to enter into such agreements as may be necessary and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document AT-_____, with respect to a non-reimbursable technical cooperation with the Republic of Bolivia in aid of the Road Administration Decentralization Plan.
2. That up to the equivalent of US\$ 800.000 is authorized for the purpose of this resolution, chargeable to the above mentioned Fund.
3. That the above mentioned sum is to be provided on a non-reimbursable basis.

Office of the President of the Republic
Ministry of Planning and Coordination
Bolivia

La Paz, September 23,
1993
DIP-0022/93

Mr. Johann A. Schmälzle
IDB Representative in Bolivia
La Paz, Bolivia

Ref.: Request. Road decentralization plan. Investment and maintenance program for feeder and local road system

Dear Sir:

In response to your letter FBO/CA-3653/93, we hereby request that the cooperation funding being offered by the Italian government from the IRI's technical-cooperation fund be granted to the Government of Bolivia to execute the above-referenced plan.

Preparation of this plan will make it possible to draw up a strategy to rehabilitate, improve, and maintain the road system at the regional level. This objective is a priority of the government, which seeks decentralization in order to achieve modernization and uniform and sustained growth of all the sectors and regions of the country.

In view of the foregoing, we hereby confirm our request. We are at your disposal to respond to any questions you may have and to continue with the necessary steps until the signature of the agreement.

Sincerely,

[Signature]
[name illegible]
Director of
Investment and
Development

BOLIVIA

TERMS OF REFERENCE

**COORDINATOR FOR ROAD ADMINISTRATION DECENTRALIZATION
AT THE TRANSPORTATION AND COMMUNICATIONS SECRETARIAT**

The process of administrative decentralization of the road infrastructure subsector will begin with a plan comprising basically the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The plan should be executed under the coordination of the Transportation and Communications Secretariat. To this end, the secretariat requires the advisory services and participation of a professional with skills and experience in the area, who will:

1. Serve as liaison between the Transportation Secretariat, the CORDES, the DDVs, and the consultants, for the formulation and execution of the plan.
2. Participate in the evaluation of the consultants' work and, if necessary, in the selection of any other consultants that may be required.
3. Ensure complete fulfillment of the objectives and goals.
4. Ensure the provision of necessary logistical support, in accordance with the work-related requirements.
5. Be in charge of obtaining policy guidelines required during plan preparation on a timely basis.

The coordinator will report directly to the Transportation and Communications Secretariat.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be a civil engineer with at least ten years' professional experience and knowledge of the organization of road administration agencies and, preferably, decentralization efforts.

BOLIVIA

TERMS OF REFERENCE

CONSULTANT ON TECHNICAL AND ORGANIZATIONAL ISSUES

The technical/organizational consultant will be responsible for directing and coordinating consulting activities for the formulation of the road administration decentralization plan and the respective investment and maintenance program for departmental road systems.

The formulation of the plan will comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant will supervise and coordinate the work of all the project consultants, providing any support that may be necessary. He or she will be the direct liaison with the coordinator designated by the Transportation and Communications Secretariat.

The technical/organizational consultant will carry out the following tasks:

1. Ensure that the tasks assigned to the various consultants are properly executed; he/she will also work together with the road administration consultant and in coordination with the Transportation and Communications Secretariat, the SNC, and the DDVs, to prepare the road administration decentralization plan.
2. To this end, together with the other consultants, the consultant will formulate a work plan that includes:
 - a. A technical and administrative decentralization plan for the road subsector in Bolivia's nine departments.
 - b. Design and adjustment of the subsector's planning and administration systems, particularly in the area of contract management.
 - c. Determination of the human, physical, and financial resources needed to implement the plan.

3. Participate in the execution, follow-up, and evaluation of the plan.
4. Participate in the identification of feeder and local road systems.
5. Identify the systems required for proper administration and operation of the DDVs and schedule the transfer of available technology systems from the SNC.
6. Update the inventory of roads in each department on the basis of the SNC's inventory and ensure more efficient use of housing, depots, equipment and staff.
7. Identify the activities to be executed in the first and second years by the DDVs, taking into account their significance in terms of regional development and, on that basis, determine the amount of work necessary in the areas of road construction, improvement, and maintenance in the departmental road systems.
8. Estimate the human and financial resources required by each department to perform the work identified above.
9. Together with the road administration consultant, advise departmental authorities in the preliminary selection of the managerial and administrative staff for the DDVs.
10. Together with the road administration consultant, design a training program for DDV staff in road infrastructure administration, with an emphasis on the systems to be applied.
11. Follow up on the implementation of the departmental systems for decentralized nonfinancial administration consistent with staff administration and goods and services administration modules.
12. Coordinate his/her tasks on a continuing basis with the consultant coordinating the regional component of the EMSO.
13. Together with staff from the Transportation and Communications Secretariat and the SNC, participate in the following tasks aimed at decentralizing the administration of the secondary and local road systems in each department:
 - a. Delimitation of sector responsibilities between the central level of the Transportation and Communications Secretariat and the SNC.
 - b. Identification of the departmental agencies that will be assigned responsibilities and resources (institutional functions).

- c. Design of mechanisms for effective transfer of responsibilities (agreements, procedures, requirements, etc.).
- d. Detailed definition of the requirements for setting up inventories of machinery, equipment, real property, staff, etc., in coordination with the Transportation and Communications Secretariat and the SNC.
- e. Participation in the design of the road subsector's decentralized organizational structure (organization chart and functions).

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should have at least five years' experience in studies on decentralization and could be a civil engineer. He or she should have knowledge of and experience in the road subsector and its decentralization.

BOLIVIA

TERMS OF REFERENCE

ROAD ADMINISTRATION CONSULTANT

The road administration consultant should have experience in decentralization and deconcentration, particularly the technical and institutional aspects of the road administration decentralization process.

The formulation of the plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant will work jointly and in coordination with the other consultants and will complement their activities. The consultant will perform the following tasks:

1. Review and help to complete the information contained in the road inventory (including bridges) and formulate a proposal for classifying the departmental systems.
2. In coordination with the pertinent agencies of the subsector and at the Transportation and Communications Secretariat, assist in the design or adaptation of systems and tools for subsector planning and administration, on the basis of past SNC experience and that of other countries, particularly in Latin America.
3. Draw up an institutional strengthening plan or review existing plans for institutional reform, in order to make them consistent with the objectives of subsector deconcentration. In this case, the emphasis will be placed on the DDVs.
4. Jointly and in coordination with the other consultants, review the bases and provisions for the delimitation and transfer of responsibilities, including agreements and all aspects having to do with procedures and regulations for the transfer of responsibilities and those defining the relationship with the SNC, the Transportation and Communications Secretariat, and other levels of central and departmental government.

5. Review the design of the decentralized departmental structure of the national administration system and the current and proposed institutional aspects of delegated or transferred responsibilities (identification of departmental agencies receiving jurisdiction, responsibilities, and resources).
6. Analyze, if deemed necessary and appropriate, and recommend the reorganization/rationalization of the DDVs, with regard to their capacity to contract out and execute road subsector activities.
7. Advise departmental authorities on the selection of managerial and administrative staff for the subsector's departmental units.
8. Train DDV staff in road infrastructure administration, with emphasis on the systems to be applied.
9. Review the draft bylaws of the DDVs.
10. Perform an analysis of and formulate:
 - technical and legal guidelines for setting up the DDVs;
 - the systems required for proper administration and operation of the DDVs;
 - organizational manuals, general functions, and staff;
 - operational and territorial organization of the DDVs;
 - identification of the DDVs' initial activities;
 - characteristics of the relationships to be established between the DDVs, the prefectures, the municipal governments, the SNC and the SNC district;
 - method of technology transfer from the SNC to the new DDVs;
 - provisional outline for a training course for the DDVs' administrative and managerial staff.
11. Formulate a strategy for the practical and sequential implementation of the subsector's administrative decentralization, taking into account departmental capacities and differences.
12. Analyze functional structures and identify managerial and technical staff for the agencies involved in setting up the DDVs, for the operation of the financial area of the subsector, in the context of decentralization.
13. Formulate and execute a training plan for essential staff for the decentralized operation of the DDVs. This implies the decentralized operation of the subsector in its financial and nonfinancial administrative areas.
14. Work with the general coordination system that will be set up to ensure the allocation and effective use of financial resources for execution of the plan.

15. Suggest ways in which the DDVs can gain access to credit.

These terms of reference are not restrictive. The consultant may recommend expanding them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the work plan for formulation of the road administration decentralization plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should have at least five years' experience in studies and work in the area of administrative decentralization. He or she should be a civil engineer with a strong background in road administration and knowledge of pertinent computer programs.

BOLIVIA

TERMS OF REFERENCE

FINANCIAL CONSULTANT

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant in the fiscal/financial area will work jointly and in coordination with the other consultants in the unit and will complement their activities.

The fiscal/financial consultant will carry out the following tasks:

1. Update the fiscal, financial, and administrative studies.

With support from the SNC and other pertinent agencies, the consultant will collect and compile information on:

- public spending in the sector during the 1990, 1991, and 1992 fiscal years, broken down by program and department (district);
 - income collected by each department (from tolls, fines, etc.);
 - costs by type of system, including maintenance costs for the arterial road system on the one hand, and the secondary and local road systems, on the other;
 - transfers from the national treasury to the road subsector;
 - current administrative structure, organization charts, duties and procedures handbooks, bylaws and regulations;
 - the infrastructure of depots, mechanical workshops, facilities, offices, etc., broken down by department.
2. Conduct financial research on the various entities that perform road works in the departments. Identify the resources currently available to such entities.

3. Spell out the details of the overall fiscal/financial proposal, with reference to the criteria for rating the specific sector responsibilities to be transferred (operations budget).
4. Establish criteria for distributing nonfinancial resources (infrastructure, equipment, staff, materials, and supplies).
5. Together with staff from the Ministry of Planning and Coordination, the Ministry of Economic Development, and the SNC, participate in the quantification of fiscal resources to finance activities that are to be decentralized.
6. Participate in the design of mechanisms for automatic transfer of financial resources for the decentralized responsibilities from the central to the departmental level.
7. Participate in the design of nonfinancial administrative systems at the departmental level (administration of personnel and assets) and the respective organizational structure.
8. Participate in the establishment of methodologies, criteria, and information systems needed to design standard costing systems for the sector.
9. Determine the sector's standard costs on the basis of the methodologies adopted.
10. Conduct an analysis and evaluation of the subsector's toll-charging and rates system and make recommendations for achieving better results.
11. Propose alternatives for increasing internal generation and collection of resources in the sector.
12. Propose criteria and procedures for the use of the sector's internally generated own resources.
13. Participate in the identification of weaknesses in the performance of assigned functions (responsibilities) and of those to be transferred.
14. In coordination with officials from the Ministry of Economic Development, the SNC, and the civil service reform program, identify road subsector staffing requirements at the central level and particularly at the departmental and local levels.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should have at least five years' experience in the area of administrative decentralization studies. He or she should be an economist or civil engineer and should be familiar with pertinent computer programs. Knowledge of and experience in the road subsector and administrative decentralization are also required.

BOLIVIA

TERMS OF REFERENCE

CONSULTANT ON INSTITUTIONAL ISSUES

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant on institutional issues will work jointly and in coordination with the other consultants in the unit and will complement their activities. He or she will perform the following tasks:

1. Outline and/or fine-tune the organization and distribution of responsibilities and functions between the central and decentralized levels.
2. Draw up an institutional structure to be applied at the decentralized level and determine the extent to which the existing structures need to be adapted to the new structure.
3. Develop basic manuals on functional organization for departmental road administration.
4. Update and identify the legal issues involved in successfully implementing decentralization and the institutional mechanisms for coordination between the departments and the central level.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should have at least five years' experience in studies and work on administrative decentralization, should be an economist, civil engineer, or business administration expert, and should be familiar with pertinent computer programs. Knowledge of and experience in the road subsector and administrative decentralization are also required.

BOLIVIA

TERMS OF REFERENCE

ROAD ENGINEERING CONSULTANT

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The road engineering consultant will work jointly and in coordination with the other members of the unit and will complement their activities in all aspects relating to the formulation of an investment and maintenance plan for the roads that are part of the departmental road systems.

The consultant will:

1. Conduct the basic engineering studies needed in order to devise technical solutions for the improvement and maintenance of roads in the departmental road systems.
2. Select a group of roads on which improvement works could be performed during the first year of plan implementation, on the basis of the importance of the roads, traffic volume, vehicle operating costs, and the agricultural production and potential of the service areas.
3. For selected priority projects, estimate the extent of the works to be executed by item as well as unit and total cost.
4. On the basis of the physical inspection of an adequate representative sample of existing roads, determine the actions necessary to maintain them properly during the two years following implementation of the plan, with an estimate of the costs involved. The results of this task should lead to a department-by-department maintenance plan for departmental roads.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be a civil engineer with at least five years' experience in road engineering and in the execution of improvement and rehabilitation works and maintenance plans for feeder roads in rural areas. Experience in areas related to administrative decentralization would be desirable.

BOLIVIA

TERMS OF REFERENCE

STRUCTURAL ENGINEERING CONSULTANT

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The structural engineering consultant will work jointly with and will complement the activities of the road engineering consultant preparing the investment and maintenance program for departmental road systems to be executed in the two years following implementation of the plan.

The consultant will:

1. Conduct an analysis covering existing structures as well as those needed, primarily bridges, on selected roads to be included in the investment and maintenance program for departmental roads.
2. On the basis of the above analysis, recommend actions needed to rehabilitate or maintain existing structures and the type and class of structures that should be built at the sites where they are needed.
3. Define the methodology to be used for the inspection of bridges and other structures.
4. On the basis of standard designs, prepare estimates of bridge construction and maintenance costs and work with the road engineer to prepare the investment and maintenance program for the two years following implementation of the plan.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be a civil engineer specializing in the design and construction of structures (primarily bridges) and should have at least five years' experience in this area.

BOLIVIA

TERMS OF REFERENCE

CONSULTANT IN AGRICULTURAL ECONOMICS

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant in agricultural economics will work jointly with and will complement the activities of the other members of the unit in all areas relating to the formulation of a two-year investment and maintenance plan for roads in the departmental road systems.

The consultant will:

1. Participate in the economic evaluation of investment projects, particularly in the identification and assessment of the agricultural potential of the service areas of the roads.
2. Participate in the definition of the economic evaluation methodology to be used.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANTS

The consultant should be an economist with at least five years' experience in agricultural matters, including participation in evaluating the agricultural potential of various areas.

BOLIVIA

TERMS OF REFERENCE

CONSULTANT IN HYDROLOGY

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant in hydrology will work jointly with and will complement the activities of the road engineering consultant who will prepare the investment and maintenance program for departmental road systems to be executed in the first two years following implementation of the plan.

The consultant will participate in the drainage studies and will propose a methodology for topographic surveys and the use and interpretation of information for the design of structures (primarily bridges) and other works.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be a civil engineer with at least five years' experience, primarily in the field of hydrology.

BOLIVIA

TERMS OF REFERENCE

ENVIRONMENTAL CONSULTANT

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The environmental consultant will participate in the formulation of the investment and maintenance program for departmental road systems and will work jointly with and will complement the activities of the other members of the unit.

The consultant will:

1. Participate in the studies to assess the direct and indirect environmental impact of the execution of investment projects involving roads in the departmental systems during the two years following implementation of the plan.
2. Propose an environmental assessment methodology and actions necessary to mitigate any negative impact.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be an ecologist or professional in a related field, with at least five years' experience in evaluating the environmental impact of infrastructure projects, particularly road construction.

BOLIVIA

TERMS OF REFERENCE

CONSULTANT IN TRANSPORTATION ECONOMICS

Preparation of the road administration decentralization plan will basically comprise the following three phases:

- a. Analysis and evaluation of existing road subsector capacity in each of Bolivia's nine departments.
- b. Strategy and formulation of the road decentralization plan.
- c. Formulation of the investment and maintenance program for departmental road systems.

The consultant will work jointly with and will complement the activities of the other members of the unit in the formulation of the investment and maintenance program for departmental road systems.

The consultant will:

1. Define a methodology for evaluating and ranking departmental roads for rehabilitation and maintenance works, in order to identify the roads to be included in the first year of the program.
2. Select a group of roads on which improvement works could be performed during the first year of plan implementation, on the basis of the importance of the roads, traffic volume, vehicle operating costs, and the agricultural production and potential of the service areas.

These terms of reference are not restrictive. The consultant may expand and supplement them in order to obtain better results in the road subsector decentralization process, on the basis of the necessary activities contained in the plan.

CONDITIONS TO BE MET BY THE CONSULTANT

The consultant should be an economist with at least five years' experience in the field of road transportation and in the formulation and economic evaluation of road projects, preferably rural and feeder roads. Experience in administrative decentralization is also desirable.



Ministero degli Affari Esteri

DIREZIONE GENERALE
PER LA COOPERAZIONE ALLO SVILUPPO

226/XVI/298
Rome, September 9, 1993

Dear Mr. Fauquier,

With reference to your facsimile dated September 2nd on the financing of a "plan de caminos departamentales y decentralizacion de la administracion vial" in Bolivia with the funds available in the Trust Fund established for I.R.I., we herewith provide you with our no objection to the utilization of such Trust Fund for a maximum amount of US\$ 800.000.

I send you my best regards.

(Minister Francesco Cerulli)

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Mr. Timothy D. Fauquier
Inter-American Development Bank
Washington, D.C.

CERTIFICATION

CT/FONDOS - Italy (TC-93-09-47-9)
BOLIVIA: Road administration decentralization plan

With regard to the Plan of Operations Memorandum for TC-93-09-47-9, I hereby certify that there are sufficient funds available in the fund of the Istituto di Ricostruzione Industriale (IRI), up to the amount of US\$800,000 equivalent, to finance the activities proposed in the operation.

Timothy D. Fauquier
Chief
Technical Cooperation Unit

[Signature]

Date: December 9, 1993

BOLIVIA
TECHNICAL-COOPERATION OPERATION
PROJECT BUDGET

1. Salaries 306,300

International experts

One expert on technical and organizational issues	
12 months x US\$5,500/month	66,000
One expert on road administration	
10 months x US\$5,500/month	55,000
One financial expert	
9 months x US\$5,500/month	49,500
One expert on institutional issues	
6 months x US\$5,500/month	33,000
One road engineer	
10 months x US\$5,500/month	<u>55,000</u>
Subtotal	258,500

Local staff

Five technical consultants	
10 months x US\$2,000/month	20,000
One attorney	
2 months x US\$1,500/month	3,000
One bilingual executive secretary	
12 months x US\$800/month	9,600
One secretary/receptionist	
10 months x US\$500/month	5,000
One accounting/administrative assistant	
12 months x US\$600/month	7,200
One messenger	
12 months x US\$250/month	<u>3,000</u>
Subtotal	47,800

2. Overhead 323,125

125% of the salaries of international experts
1.25 x 258,500

3. Social security benefits		<u>44,167</u>
92.4% of the salaries of local staff		
0.924 x 47,800		
4. Travel and per diems		<u>66,400</u>
International round-trip airfare		
5 trips x US\$2,000	10,000	
Local round-trip airfare		
30 trips x US\$200	6,000	
Installation per diem (international experts)		
5 people x 24 x US\$120/day	14,400	
Per diem for local travel		
515 days x US\$118/day	36,000	
5. Miscellaneous expenses		<u>27,000</u>
Office equipment and supplies	25,000	
Telephone and communications	6,000	
Fuel and oil (overland travel)	6,000	
Printing and copies	3,000	
6. Contingencies		<u>33,008</u>
Approximately 4.3% of total		
TOTAL		<u>800,000</u>