

**PROJECT MEMORANDUM**

**BOLIVIA**

**EXECUTIVE SUMMARY**

**NAME OF PROJECT:** Foreign trade modernization

**PROJECT NUMBER:** TC-94-08-31-2

**EXECUTING AGENCY:** Cámara Nacional de Industrias [National Chamber of Industry] (CNI)

**PROJECT AMOUNT:** US\$744,000.

**MIF FACILITY:** Technical Cooperation (Facility I)

**OBJECTIVE:** To contribute to the diversification and development of exports, particularly nontraditional ones, by (a) facilitating access of Bolivian enterprises to international markets, and (b) strengthening essential export support services.

**DESCRIPTION:** Within the project framework, the use of MIF resources is planned to support a program to take advantage of tariff preferences granted by the United States and the European Community for products from the Andean countries, through identification of market niches, adaptation and development of products to meet demand, training of personnel, development of marketing strategies, and penetration of markets. The identification of alternative routes and means of transportation will also be supported as well as analysis of the costs of the physical distribution chain. The accreditation capacity of the laboratories of the Instituto Boliviano de Normas y Calidad [Bolivian Institute of Standards and Quality] (IBNORCA) will be strengthened along with that of existing laboratories selected to provide quality control services and certification for nontraditional export products. The various activities of the program will be carried out through the hiring of local and foreign consultants who will assist the executing agency in achieving specific objectives.

**ENVIRONMENTAL CLASSIFICATION:** The Environment Committee classified this as a Category II operation.

Executive Summary

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**TYPE:** Donation.

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and Juan Carlos Pérez-Segnini (LEG/OPR).

## I. COUNTRY ELIGIBILITY

- 1.1 On October 6, 1993, the Donors Committee declared Bolivia eligible for all forms of MIF financing.

## II. THE PROJECT

### Background

- 2.1 In response to the acute economic and financial crisis affecting the country, in August 1985 the Government of Bolivia adopted a stabilization and adjustment program to reduce existing hyperinflation, eliminate the fiscal deficit, and introduce structural changes in the economy. The new economic policy establishes the foundations of a system that replaces a protectionist development model having a heavy governmental emphasis with one in which market mechanisms guide economic activity and private activity plays the major role.
- 2.2 The new economic policy deregulated prices and opened up the economy, emphasizing greater integration into the world economic context. Measures adopted included a thorough fiscal and monetary adjustment. The exchange rate was unified, and existing subsidies were reduced or eliminated. The response of the economy was a drastic lowering of inflation with a gradual reduction over the years from 11,748% in 1985 to 12.1% in 1992 and 8.5% in 1993, with a goal of 7.5% for 1994. Starting in 1987, the GDP reversed the negative tendency displayed during the previous seven years, with growth of 3.2% achieved in 1993.
- 2.3 Nevertheless, despite leveling off of the economy and implementation of a series of structural reforms aimed at creating a favorable climate for private investment, the increase in the flow of investments and development of exports have not met expectations. In the export sector, the deficit in the balance of trade has remained constant, and the rate of unemployment and underemployment estimated at 18% in 1992 is still high.
- 2.4 The case of Bolivia, like that of many other countries that have adopted reform measures and achieved economic stabilization, shows that the measures adopted are necessary but not sufficient conditions for the development of investments and exports. It also shows that the process of developing investments and exports is slow since economic players – reflecting decades-long protectionist policy – are not accustomed to taking the risks that openness of the economy to external forces implies.
- 2.5 The new administration is placing a high priority on the promotion of exports and private investment as basic elements in the

development of a self-sustaining market economy. To support this priority of the Bolivian government, in December 1993 the Donors Committee of the Multilateral Investment Fund approved a program for capitalization and privatization of public enterprises (MIF/AT-4), and the financing of the current program of modernization of exports is presented for its consideration.

- 2.6 In terms of value, composition, and destination of exports, development of the export sector constitutes one of the key elements of Bolivia's economic development strategy. Future export development should not only provide the foreign currency resources that the country needs to meet external obligations and import needs, but also contribute to a general increase in productivity and the adoption of new technology, and secure new sources of employment for the population.
- 2.7 The new economic policy has helped to reduce the dominance of traditional exports of minerals, hydrocarbons, and gas as well as to increase nontraditional exports substantially. <sup>1/</sup> Nonetheless, the latter remain undiversified and consist largely of basic commodities of limited added value. The heavy dependence of the country on a limited number of traditional exports - primary, of limited added value, and subject to sharp fluctuations in international prices beyond its control - leads to special interest in exploring diversification of the export structure, emphasizing nontraditional products of greater added value that, in addition to their multiplier effect on the national economy, can reduce the impact of the cost of the international physical distribution chain arising from the peculiar geographical situation of the country.
- 2.8 The current structure of nontraditional exports is largely based on primary commodities that could be processed and given greater added value in Bolivia. For example, in 1993, exports of sawed lumber reached US\$26.1 million while wooden parts, pieces, and components for construction together only totaled US\$2.8 million. Similar examples can be given for manufactured products of agricultural origin (e.g., soybeans, cotton, hides). The government's development strategy attaches special importance to diversification of the export structure, emphasizing products with a greater export value.
- 2.9 The export strategy designed by the government places special emphasis on expansion and diversification of exportable supply, diversification of markets, strengthening of required support services and instruments, and cooperation and pooling of efforts among enterprises with related products or marketing channels to permit them to achieve a critical mass vis-à-vis export markets that they cannot achieve individually. Nevertheless, it should be

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<sup>1/</sup> Traditional exports fell from US\$886 million in 1980 to US\$458 million in 1993. In contrast, nontraditional exports, which equaled US\$108 million in 1987, increased to US\$322 in 1993.

borne in mind that the country has little experience in the development of nontraditional exports, especially manufactured products. The export support infrastructure is weak and the availability of human resources for both production and international marketing is limited. Translating the high priority accorded export activity into reality will require systematic and sustained effort over time to maximize the process of openness as the engine of future economic development. Through this foreign trade modernization program, the MIF would contribute directly to attainment of this high-priority objective of the Bolivian government.

- 2.10 Bolivia receives substantial bilateral and multilateral international technical cooperation, part of which supports export activity and should therefore be adequately coordinated with activities under the current program. Thus, program operations will be executed in close contact and with the participation of other business sector agencies involved, including the Cámara Nacional de Comercio [National Chamber of Commerce] (CNC), Cámara Nacional de Exportadores de Bolivia [National Chamber of Bolivian Exporters] (CANEB), Federación de la Pequeña Industria [Small Industry Federation], the Centro de Promoción de Inversiones [Investment Promotion Center] (CPI), and other regional chambers. The program will also be coordinated with public sector agencies involved in export activity.

#### New institutional development

- 2.11 Within the current economic development plan, the private sector has been given the dominant role in the development of export activity. Thus, the private sector participates in the Consejo Nacional de Exportaciones [National Export Council] (CONEX), the agency responsible for formulating and coordinating policy proposals. At the same time, the national chambers have decided to play an active role in the implementation of an export development program.
- 2.12 According to the reorganization approved by the government in September 1993, the Industry and Trade Secretariat is responsible for managing export activity. It has hired a specialized foreign company to conduct a comprehensive study of the competitiveness of Bolivian industry to identify productive sectors with export potential. 2/ Within the Secretariat, the Instituto de

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2/ Close coordination is anticipated between the proposed activities of this program and the conclusions of the study in order to avoid duplication of expense and effort. This study is also expected to provide a foundation for subsequent formulation and development of sector programs that will include both support for exporting products with existing exportable supply and development of new export-oriented productive capacities.

Promoción de Exportaciones [Export Promotion Institute] (INPEX) is the main agency implementing sector policies. Since 1991, INPEX has received technical-cooperation funding from the IDB for institutional support. In the short term, strengthening or institutional redefinition of INPEX is planned, with greater participation of the business sector.

- 2.13 The National Secretariat of Foreign Economic Relations of the Ministry of Foreign Affairs, through the Office of the Under Secretary for Economic Development is developing a foreign network to support efforts to promote the country's investments and exports. It has recently obtained technical-cooperation funding from the Andean Development Corporation (ADC) to strengthen the network, which will make it possible to hire additional personnel.
- 2.14 Article 24 of Law 1498 of April 16, 1993, through Supreme Decree 23822 of 1994, created the CONEX as the mechanism for integrating public and private sector efforts related to exports. CONEX is also a forum for discussion, design, and implementation of policy. The CONEX board, with broad representation of the private sector, will control the board of INPEX and select its executive director.
- 2.15 At the level of the enterprise sector, the most representative bodies are the Cámara Nacional de Industrias [National Chamber of Industry] (CNI), the CNC, and CANEB. The first two have decided to link their efforts and establish a Consejo Conjunto de la Industria y el Comercio [Joint Industry and Trade Council] (CCIC) and a CPI, with offices in Cochabamba, La Paz, and Santa Cruz. There are also regional entities that include support for development and diversification of exports among their objectives. Various international technical cooperation programs, both bilateral and multilateral, support the efforts of these bodies.

#### Objectives

- 2.16 The CNI, with the support of the Government of Bolivia, is requesting MIF support through the Technical Cooperation Facility for an 18-month program to facilitate access of Bolivian companies to international markets. The program focuses on (a) maximization of access preferences received by Bolivia for United States and European Community markets, and (b) strengthening of two support services considered crucial for exports: (i) international physical distribution and (ii) pre-shipment certification and quality control.
- 2.17 The program stresses a sectoral approach reflected in systematic and continuous action, rather than a limited approach that risks diluting efforts and does not guarantee a follow-up capability. Therefore, the various activities will be identified and discussed with enterprises in advance through permanent working groups organized by sector or product that will be open to interested parties. The work plan will also include round table discussions

and information seminars so that a greater number of businesses may be apprised of identified export opportunities, investment development, and international market trends and requirements.

Activities

- 2.18 The program was designed to include all the activities needed to ensure adequate implementation as well as sustainability over the long term. Annex I shows a table summarizing the program, including activities to be carried out and achievements expected for each subprogram:

Subprogram I    Maximization of trade preferences in United States and European Community markets.

Subprogram II   Strengthening of export support services.

- A.    Subprogram I    Maximization of trade preferences in United States and European Community markets

Frame of reference

- 2.19 To promote diversification of exports of the countries in the Andean region and to support their economic development, the United States and the European Community have granted them tariff benefits through several trade initiatives. The Government of the United States established the Andean Trade Initiative in order to create viable economic alternatives. A basic element of this initiative was approval of the Andean Trade Preference Act by the United States Congress in December 1991. The European Community created a Trade Preference Agreement to facilitate access of Andean products to the European Community with provisions similar to those of the Andean Trade Preference Act of the United States. Nevertheless, growth of Andean exports under those trade preference agreements has been minimal. Therefore, for Bolivian business to better identify trade opportunities in international markets, a major premise of this program is that there is a need for a series of comprehensive and closely coordinated efforts by government and the private sector, such as those of the Caribbean Basin countries.

Specific objectives

- 2.20 The specific objective of this subprogram is to strengthen and increase utilization by Bolivian enterprises of the trade preferences granted by the United States and the European Community.

Specific activities

- 2.21 To achieve the specific objective, MIF resources will be used to hire local and foreign consultants to carry out the activities

described below. Additional details of the activities of subprogram I are described in Annex II.

- a. Analysis of market prospects for Bolivian products in the United States and member countries of the European Union: lists will be examined of 100 to 200 products for the North American market and some 50 to 100 products in the table of tariff preferences granted to the Andean countries by the European Union. These lists will be prepared by the executing agency in consultation with other appropriate public and private institutions. The study of the North American market will be financed with resources of the executing agency from an ADC grant in the amount of US\$100,000 to support the country's export effort under an agreement signed with the ADC in May 1994.
- b. Identification of current or short-run exportable supply: to be determined through visits to previously identified enterprises, in consultation with appropriate regional organizations and pertinent official agencies. The information obtained and analyzed for each sector will provide information on (a) the profile and characteristics of the sector, enterprises, and products; (b) the exportable supply available immediately and in the short and medium terms; and (c) the identification of obstacles or problems affecting export possibilities at the enterprise, sector, or national level to facilitate formulation of a subsequent program of export development. The work will be carried out by a team of Bolivian consultants who will be assisted in the organizational stage of the survey by a short-term international consultant.
- c. Analysis of export costs and prices: this work will be carried out by Bolivian consultants who will perform a comparative study of export costs and prices. In order to standardize working methodology and approaches, a short-term international consultant will participate in the initiation of this activity.
- d. Identification of market niches: this will provide information either to initiate market penetration steps or for decision-making with respect to adaptation or redesign of existing products or the development of new products. Studies of demand will be conducted by Bolivian or international consultants who are specialists in the products and markets to be covered. The information gathered in each market will make it possible to formulate medium-term sector programs for export development that will group enterprises with related products or similar marketing strategies.
- e. Marketing program: Bolivian product specialists - with the assistance of an international specialist, if needed - will propose a preliminary list of activities that the future marketing program will cover, including target markets,



activities and ways to undertake them, time period, and estimated cost.

- f. Programs to adapt and develop products: these will be carried out by working groups comprised of enterprises with related products that will be organized to implement sector development programs. Since many companies do not individually achieve critical mass to operate abroad, the working group will not only provide economy of scale at the level of product adaptation and development, but will also combine efforts through collective action abroad (for example, consolidation of supply through export consortia, groups, or cooperatives; marketing companies; a subcontracting exchange managed by the CPI, etc.).
- g. Other activities: development of human resources through regional or sectoral seminars and workshops and through the training of instructors or consultants who can provide comprehensive assistance to enterprises within the framework of the sectoral export programs to be carried out.

B. Subprogram II Strengthening of export support services

Frame of reference

- 2.22 Among the support services having a decisive impact on Bolivia's export possibilities, the two most important ones have proved to be: accreditation of laboratories for quality certification and pre-shipment inspection services, on the one hand, and the international physical distribution chain on the other.
- 2.23 The absence of internationally recognized laboratories - particularly in the case of food products, with strict sanitary requirements in international markets - affects opportunities for Bolivian exporters. The country's peculiar geographic situation - without direct access to the sea - is also a serious limiting factor requiring special effort for optimization and careful study of the international physical distribution chain.
- 2.24 With respect to activities related to certification, the program will support the action of the Instituto Boliviano de Normas y Calidad [Bolivian Institute of Standards and Quality] (IBNORCA), which became a nonprofit private corporation in 1993, with the business sector playing a major role. For development of activities related to international physical distribution, the program will include participation and reinforcement of the Consejo Boliviano de Usuarios de Transporte [Bolivian Council of Transport Users] (COBUTRAC), based in the CNC, a body that has expressed interest in giving COBUTRAC an active role.

Specific Objectives

- 2.25 The specific objective of this subprogram is to promote strengthening of the international physical distribution chain and certification of compliance with quality and pre-shipment inspection standards. Both services are considered essential for the development of exports by Bolivian small and medium-sized business.

Specific Activities

- 2.26 To achieve the specific objective, MIF resources will be used to hire local and international consultants to perform the following activities:
- a. Strengthening of the capacity of the IBNORCA to accredit Bolivian laboratories to guarantee quality and compliance with standards of export products. For these purposes, project support will be used to (i) hire a local certification expert for 12 months; and (ii) acquire a computer with a modem and link it to specialized international databases on standards and quality requirements. In addition, a consultant will be hired to help identify the needs of both IBNORCA and the laboratories as the first project activity in the area of certification and quality control.
  - b. Improvement of existing domestic laboratories, so that they can provide certification services according to standards. For these purposes, consideration will be given to (i) supplying them with appropriate small equipment acquired through the project; (ii) training personnel in quality control techniques and certification of specific products; and (iii) technical assistance by foreign experts in specialized aspects that may require their assistance.
  - c. International physical distribution chain. Project activities will include: (i) examination of the international physical distribution chain to U.S. and European Union markets for selected products included in the program; and (ii) analysis of prospects for freight consolidation or export corridors through neighboring countries. In particular, upgrading overland outlets for exports through Chile (Arica) and Peru (Ilo), to be completed over the next two years with Bank financing, will be taken into account; and (iii) training of personnel in analysis of alternatives and costs of the international physical distribution chain.
- 2.27 Activities related to international physical distribution will take account of existing analyses of the subject, e.g., the INTAL study on the cost of the land-locked position of Bolivia for export products.

Cost and financing

2.28 The projected costs of each component to be financed with the MIF grant are provided below:

PROJECT BUDGET (US\$)			
	MIF	LOCAL <u>3/</u>	TOTAL
I. Subprogram I			
a) Analysis of market prospects	20,000	25,000	45,000
b) Study of exportable supply	30,000		30,000
c) Identification of market niches	45,000	25,000	70,000
d) Cost-price analysis of exports	13,000		13,000
e) Formulation of sector programs	52,000		52,000
f) Product adaptation and development	84,000	16,000	100,000
g) Development of human resources			
h) Promotion abroad	27,000	13,000	40,000
	60,000	21,000	81,000
Subprogram I - Total	331,000	100,000	431,000
II. Subprogram II			
a) Quality control consultants	75,000		75,000
b) Equipment	50,000		50,000
c) Consultants in international physical distribution	49,000		49,000
Subprogram II - Total	174,000		174,000
III. Coordination of Activities			
a) Senior technical advisor	45,000		45,000
b) International support consultant	40,000		40,000
c) Infrastructure, furniture, and communications <u>4/</u>		85,000	85,000
Coordination - Total	85,000	85,000	170,000
IV. Supervision and evaluation	40,000		40,000
V. Travel and local per diem	40,000		40,000
VI. Contingencies (10%)	74,000		74,000
PROGRAM TOTAL	744,000	185,000	929,000

3/ Note: The local cash contribution of the executing agency (CNI) comes partly from the ADC (grant) financing of subprogram I activities.

4/ As shown in section V below, the CNI will also provide the infrastructure, equipment, communications, and counterpart personnel required by the program.

Organization and execution

- 2.29 The executing agency. In accordance with the new institutional framework adopted by the Government of Bolivia, in which the private sector assumes the major role, the project will be executed by the CNI, a business entity that includes in its program of activities growing support for development of national economic activity and the export campaign. Within the Confederación de Empresarios de Bolivia [Federation of Bolivian Businessmen], the CNI is the business organization with the broadest national representation, having offices in each of the country's nine departments, the longest history, and most efficient operations. The CNI includes eight regional chambers and 13 sectoral associations throughout the country. Together with the CNC, it has joined in creating the Joint Industry and Trade Council and the Centro de Promoción de Inversiones [Investment Promotion Center], the latter consisting of a private institution responsible for promoting investment with a strong export orientation. The CNI, in addition, is a member of CONEX representing the private sector. It likewise has a key role in conversations under way with the government for the strengthening or institutional redefinition of INPEX to ensure greater participation of the business sector. Thus, CNI was determined to be the institution with the greatest institutional and technical capacity to execute the project.
- 2.30 MIF resources will also pay for hiring a national technical advisor to coordinate development of the various project activities. Given limited national experience in export development, technical support for the work of the national technical advisor is planned through the participation of a high-level international consultant who will visit the project regularly throughout its execution for periods of two to three weeks. The description of tasks in A-9 of Annex II provides more details on this matter.
- 2.31 Disbursements. Technical-cooperation operation funding will be disbursed in accordance with Bank procedures. The first disbursement will be subject to presentation by the CNI of a detailed action plan, including scheduling of the activities proposed for the first six months of operation of the project.
- 2.32 Monitoring. Program monitoring will require the executing agency to prepare three reports at intervals of six months. The first two reports will include examination of the execution of the program to date, and may propose modifications considered necessary in either of the subprograms. They may also include, for approval by the MIF office, recommendations concerning redistribution of resources among budget headings. The final report will include an evaluation of the project and recommendations for future action. The MIF will recruit an outside consultant to provide support services for supervision of the project. The consultant will likewise assist with project evaluation, which will be included in the project completion report.

### Viability and risks

- 2.33 The program has been designed to include all the activities needed to ensure attainment of the proposed objectives; the schedule of execution has been made flexible enough to assure successful implementation.
- 2.34 The main risks affecting the program might arise out of problems of coordination among the various public and private sector entities involved in development of the project. Nevertheless, the existence of CONEX as a mechanism for coordinating the public and private sectors on the one hand, and agreement on objectives among the participating private sector institutions on the other hand, lead to the assumption that there are no immediate risks that might affect program development.

## III. COMPLIANCE WITH ELIGIBILITY CRITERIA

### General project eligibility criteria

- 3.1 Efforts to develop the Bolivian export sector and MIF financing in support of this activity are totally consistent with the Fund's general aim of helping to increase private investment and expand private sector activities, thus contributing to the country's growth and economic and social development efforts.

### Facility criteria for project eligibility

- 3.2 The proposal also fully meets the criteria for MIF financing within the framework of the Technical Cooperation Facility specified in Article 3, Section 2 of the Agreement Establishing the Multilateral Investment Fund, according to which advisory services for governments will be financed that are required to implement plans that are part of a comprehensive program of reform designed to strengthen the general environment for investment.

## IV. CONSISTENCY WITH THE BANK'S COUNTRY PROGRAM

- 4.1 The Bank's country program is based on a strategy that recognizes the need to support consolidation of the program of structural reforms that the Government of Bolivia has undertaken, including a strong stimulus to private sector participation in expansion of export activity and investment in related production development and infrastructure projects.
- 4.2 Within this framework, the Bank granted the Government of Bolivia an adjustment loan for reform of the financial sector and promotion

of private investment (628/OC-BO) whose objectives include supporting and encouraging a climate that truly fosters domestic and foreign private investment in all sectors of the country and facilitates development of an export-oriented outlook. Compliance with the conditions of the first and second tranches has been satisfactory, with fulfillment of the objectives of the third tranche to occur during the next six months. The Bank has also cooperated with the Government of Bolivia in the reform and structural adjustment processes linked to the productive sector through a series of technical-cooperation projects.

## V. AVAILABILITY OF MIF RESOURCES

### Modality of funding

- 5.1 The project is expected to be financed through a grant, based on the following considerations: (i) On October 6, 1993, the Donors Committee declared Bolivia eligible for all forms of MIF financing; (ii) Article 3, section 5b of the country eligibility memorandum spells out Bolivia's fulfillment of the eligibility criteria for obtaining grant resources at the national level; and (iii) the proposed project will have a major catalytic effect in directly helping to facilitate private investment for projects to expand productive capacity and to develop projects for physical infrastructure and support services for exports, as required by Article 3, Section 5(a) of the Agreement Establishing the Multilateral Investment Fund, since its objective is to facilitate an expanding stream of investments in activities related to exports. The validity of these criteria was confirmed by the Donors Committee at a meeting held on March 30, 1994 (MIF/GN-23).
- 5.2 The CNI will provide the infrastructure facilities the project requires, including offices for short- and long-term consultants, furniture, equipment, and communications. It will likewise assign counterpart personnel and will commit CNI supervisory personnel who will be involved in execution of the project. All the resources received as an ADC grant, in the amount of US\$100,000, will be used for the project, particularly in activities that require disbursements in U.S. currency and are aimed at the U.S. market. The total contribution of the executing agency is valued at US\$185,000.

## VI. EVALUATION

- 6.1 The results of this technical-cooperation operation will be evaluated by the project team and an independent consultant, taking into account the extent to which the proposed objectives are met. The evaluation will be presented in the project completion report.

MIF - FACILITY I - BOLIVIA: PROGRAM OF MODERNIZATION OF THE FOREIGN SECTOR		
General project objectives: Facilitate access of Bolivian companies to international markets		
Specific project objectives: Promote greater utilization of tariff preferences and strengthen international marketing support services		
Subprograms	Activities	Expected results
I. Utilization of tariff preferences of United States and European Community markets	Analyze market prospects for selected Bolivian products in the United States and the European Community (cofinanced with the Andean Development Corporation (ADC))	Analysis completed in third month
	Identify exportable supply available immediately or in the short term	Supply identified in the fourth month
	Analyze export costs and prices	Analysis completed in fourth month
	Identify market niches for selected products	Identification completed in the tenth month
	Develop and implement sector export programs	Work begun in the sixth month and continued throughout the project
	Execute product adaptation and development program	Continuous starting in the seventh month
	Develop marketing program	Completed in the twelfth month
II. Strengthening of support services	Design and implement human resources development program	Completed in the twelfth month
	Support institutional strengthening of IBNORCA	Completed in the twelfth month
	Develop a program to strengthen laboratories, including equipment and training	Completed in the twelfth month
	Study the international physical distribution chain of selected products and markets	Concluded in the tenth month



DETAILED BUDGET (US\$)  
MIF

	Profession al/months	TOTAL
III. Subprogram I		
a) Analysis of market prospects (European Community)	1.5	20,000
b) Study of exportable supply		
International personnel (20x0.5 p/m)	1	16,000
Local team	-	14,000
c) Identification of market niches		
International personnel (2x1.5 p/m)	3	45,000
d) Analysis of export costs/prices		
International personnel	0.5	7,000
Local personnel	3	6,000
e) Development of sector programs		
International personnel (4x0.5)	2	16,000
Local personnel (2x12)	24	36,000
f) Product adaptation and development		
International personnel (1x4)	4	60,000
Local personnel (4x3)	12	24,000
g) Development of human resources		
International personnel	3	18,000
Local personnel	6	9,000
h) Promotion abroad		60,000
Subprogram I - Total		331,000

**DETAILED BUDGET (US\$)**  
**MIF**

	<b>Profession al/months</b>	<b>TOTAL</b>
II. Subprogram II		
a) Quality control consultants (3x1 p/m)	3	75,000
b) Equipment		50,000
c) International physical distribution consultants	3	45,000
International personnel (2x1.5)	2	4,000
Local personnel (2x1)		
Subprogram II - Total		174,000
III. Coordination of activities		
a) Senior technical advisor	18	45,000
b) International support consultant		40,000
Coordination - Total		85,000
IV. Supervision and evaluation		40,000
V. Travel and local per diem		40,000
VI. Contingencies (10%)		74,000
<b>MIF PROGRAM TOTAL</b>		<b>744,000</b>

**PROPOSED RESOLUTION**

BOLIVIA. TECHNICAL COOPERATION FOR THE MODERNIZATION OF INTERNATIONAL TRADE PROGRAM

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the project referred to in document MIF/AT- with respect to a technical cooperation with Cámara Nacional de Industrias, for the modernization of an international trade program.

2. That up to the amount of US\$ 744,000 is authorized for the purpose of this resolution, chargeable to the resources of the Technical Cooperation Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.