DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BOLIVIA

PERFORMANCE-BASED ROAD MAINTENANCE

(BO-L1015)

LOAN PROPOSAL

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   Explains the methodology for using the outcome indicators (paragraph 3.10)
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3. ESMR/EMP

   Presents environmental analysis and the environmental management plan for the program (paragraphs 2.4 and 2.5)
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1. Technical/economic study and preparation of long-term performance-based road maintenance management contracts

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ABBREVIATIONS

AADT	Average annual daily traffic
ABC	Administradora Boliviana de Carreteras [Bolivian Road Administration]
AWP	Annual work plan
EIRR	Economic internal rate of return
EMP	Environmental management plan
ENPV	Economic net present value
ESMF	Environmental and social management framework
ESMR	Environmental and social management report
FSO	Fund for Special Operations
GCO	ABC Conservation and Operations Office
GSA	ABC Socioenvironmental Office
HDM-4	Highway Development and Management Model
OC	Ordinary Capital
RVF	Principal road network
SSF	Safeguard and Screening Form for Screening and Classification of Projects
UTME	Performance-based maintenance technical unit

PROJECT SUMMARY

BOLIVIA
PERFORMANCE-BASED ROAD MAINTENANCE
(BO-L1015)

<table>
<tr><th colspan="4">Financial Terms and Conditions</th></tr>
<tr><td colspan="2" rowspan="2">Borrower: Republic of Bolivia
Executing agency: Administradora Boliviana de Carreteras [Bolivian Road Administration] (ABC).</td><td></td><td>OC financing[1]</td><td>FSO financing</td></tr>
<tr><td>Amortization period:</td><td>30 years</td><td>40 years</td></tr>
<tr><td>Source</td><td>Amount in US$ millions</td><td>Grace period:</td><td>5.5 years</td><td>40 years</td></tr>
<tr><td>IDB (Ordinary Capital)</td><td>14.7</td><td>Disbursement period:</td><td>5 years</td><td>5 years</td></tr>
<tr><td>FSO</td><td>6.3</td><td>Interest rate:</td><td>adjustable</td><td>0.25%</td></tr>
<tr><td>Other/Cofinancing</td><td>0.0</td><td>Inspection and supervision fee:</td><td>0%[2]</td><td>N/A</td></tr>
<tr><td>Total</td><td>21.0</td><td>Credit fee:</td><td>0.25%[3]</td><td>N/A</td></tr>
<tr><td colspan="2"></td><td>Currency:</td><td>U.S. dollars, SCF[4]</td><td>U.S. dollars</td></tr>
</table>

Project at a glance

Project objective:

The general objective is to help make regional industry more competitive and to further the economic and social integration of Bolivia's people through sustainable improvement of freight and passenger transportation conditions on several main corridors of the country's paved principal road network (RVF). The specific objectives are to: (i) lower transportation costs by improving road serviceability and safety on a significant portion of priority national corridors and routes connecting production areas with domestic markets and those in neighboring countries, and (ii) preserve the country's road assets by promoting sustainability through development and implementation of appropriate maintenance systems.

Special contractual conditions:

As conditions precedent to the first disbursement: (i) a performance-based maintenance technical unit (UTME) must be formally in place and functioning, including appointment of a coordinator and preparation of an organizational chart, a functions manual, and terms of reference for hiring additional support staff; and (ii) a subsidiary agreement between the borrower and the executing agency for program implementation must have been signed and be in effect under the terms agreed with the Bank (paragraph 3.8).

As conditions precedent to execution: (i) the executing agency must have hired three additional professionals to support the UTME within two months after the operation is declared eligible for disbursements in accordance with the terms of reference agreed with the Bank, and (ii) before a performance-based maintenance contract can be signed, the executing agency must have hired the independent consulting firm to supervise that contract (paragraph 3.9).

Exceptions to Bank policies:

None.

Project consistent with country strategy: Yes [X] No [ ]

Project qualifies as: SEQ [ ] PTI [ ] Sector [ ] Geographic [ ] Headcount [ ]

[1] The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendations. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount.

[2] In no case will the inspection and supervision fee exceed 1%, and in a given six-month period it may not exceed the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

[3] In no case will the credit fee exceed 0.75%.

[4] Single Currency Facility.

I. DESCRIPTION AND OUTCOMES MONITORING

A. Background, problem, and rationale

1.1 Bolivia is a country with a difficult topography, low population density, and a geographically scattered economic base built on the primary sector. Despite efforts to seek greater industrialization, value added continues to be low for a large portion of output.[1] Because Bolivia is a landlocked country, its foreign trade almost always involves a segment of ground transportation,[2] which tends to raise freight and insurance costs and import prices, and make exports LESS competitive. Bolivia's transportation infrastructure interconnects the country socially and economically, and links it with the rest of the world through its neighbors. Each mode of transportation plays a special part in the country's different regions, but because of their development level and functionality, roads are the predominant mode. Most passengers and freight travel on roads; over 90% of public infrastructure investment is allocated to roads, and they also have the highest coverage across the country. The road network stretches an estimated 67,067 kilometers, of which only 4,637 km (6.9%) are paved. Bolivia's principal road network (RVF) has a total length of 16,029 km, of which 4,514 km (28%) are paved. Approximately 80% of vehicle traffic in Bolivia travels on this network.

1.2 Historically, Bolivia has put considerable financial effort into upgrading its RVF, with total national public investment growing from about 30% in 1980 to 45% in 2005 (nearly 3% of GDP). This effort notwithstanding, the country's road infrastructure still suffers from major shortcomings that significantly hinder economic competitiveness. Some roads are in poor condition because of a lack of maintenance, and freight and passenger charges are far higher than in neighboring countries.[3] The paved roads that are in the highest demand often are not properly maintained because of budget constraints. Meanwhile, exports and imports are growing at a quickened pace, which is increasing demand for use of the RVF. All of this is leading to progressively deteriorating conditions on the RVF[4] because of substandard management systems and lower-than-recommended maintenance

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1 The unit value of exports is about US$169/ton—well below the US$995/ton value of imports.

2 Close to 30% of the value of exports and over 75% of imports travel on roads.

3 According to Bolivia's National Development Plan, freight charges and rates are 2 to 20 times higher than in other South American countries. This coincides with the March 2003 findings of the Economic Commission for Latin America and the Caribbean that Bolivia incurs significant added transportation costs in its foreign trade compared to the average for all other countries.

4 The state of the RVF is deficient, with only some 20% of its roads in good condition. Although the lack of reliable data and statistics on the RVF and its use prevents a more rigurous and accurate analysis of the trends of recent years, it is fair to say that if the dangerous deterioration of the RVF is not turned around soon, it will translate into the exponential growth of future rehabilitation and maintenance costs.

funding,[5] resulting in a vicious circle that directly impacts the state of the network and, hence, of the economy. Poor road conditions are also detrimental to road safety, increasing the frequency and severity of road accidents, which rose from some 8,000 in 2001 to more than 11,000 in 2005 (a 40% increase), while the number of injuries per 100,000 inhabitants also grew.

1.3 The agency responsible for planning and management of the RVF is the Administradora Boliviana of Carreteras [Bolivian Road Administration] (ABC), an independent public agency with its own technical and administrative-financial management, attached to the Ministry of Public Works, Services, and Housing. At present, the ABC carries out all RVF works and maintenance by outsourcing contracts to companies for activities requiring heavy machinery, and to microenterprises formed by local residents for routine, labor-intensive maintenance.

1.4 Given the roads subsector's strategic importance to Bolivia's sustainable development, and that deficient maintenance management mechanisms and insufficient maintenance budgets are inevitably translating into a steady decline of conditions on the RVF, the Government of Bolivia—through the ABC—asked the Bank for a loan to carry out a performance-based road maintenance program (BO-L1015). The proposed program is aligned with the objectives and policies set out in Bolivia's National Development Plan[6] as well as those of the Bank's country strategy and will enable the ABC to switch from unit price contracts to service level contracts and to try out new concepts and tools for management and conservation of the RVF, thereby avoiding the premature deterioration of the road system in general while ensuring an adequate level of service for users at a reasonable cost. Also, given that the "Provial Bolivia" conservation program has already provided a first experience with service-level contracts for routine maintenance on certain segments of the network, using road conservation microenterprises, the present program will seek to build on that experience and on the lessons learned in

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[5] RVF maintenance is outsourced through contracts with: (i) companies for routine maintenance involving heavy machinery; (ii) microenterprises for labor-intensive routine road conservation; (iii) companies for periodic maintenance, and (iv) professionals or companies for supervision. Dividing up these contracts prevents economies of scale from being captured and raises transaction costs by increasing the demands on the road agency in terms of managing and coordinating different works projects. Moreover, unit price contracts and works are more costly when designs are poor. As for funding, the amount actually transferred to the National Road Conservation Account in 2005 to cover maintenance costs was only US$24.9 million, or US$1,589 per kilometer. According to the road agency's own estimates, maintenance requirements in 2005 amounted to US$68 million, meaning that only 36.6% of needs were met. The current situation is clearly not sustainable, and so the RVF will continue to deteriorate (IDBDOCs 1181807).

[6] The National Development Plan identifies the roads subsector as a major driver of economic development, while acknowledging that the current state of road conditions is deficient because of poor maintenance resulting from the absence of stable funding and policies to preserve existing road assets. The plan further identifies the need to promote the development of modern, sustainable sytems for managing road infrastructure maintenance, make execution processes efficient and transparent, and trim costs. In line with the above, the 2006 road reform created the ABC, which adopted a process-driven organizational model for its operation that emphasizes services over assets and lends itself to performance or results-based contracting.

broadening the scope of the performance-based road maintenance management model, integrating the existing microenterprises and promoting the adoption of a system that ensures both the preservation of the RVF and its sustainability over time.

B. Objectives, components, and costs

1.5 **Objectives.** The general objective of program BO-L1015 is to help make regional industry more competitive and to further the economic and social integration of Bolivia's people through a sustainable improvement in freight and passenger transportation conditions on several main corridors of the country's paved RVF. The specific objectives are to: (i) lower transportation costs by improving road serviceability and safety on a significant portion of priority national corridors and routes connecting production areas with domestic markets and those of its neighbors, and (ii) preserve the country's road assets by promoting sustainability through development and implementation of appropriate maintenance systems.

1.6 **Components.** To accomplish these objectives, the program will be divided into the following components:

1.7 **Component 1: Performance-based road maintenance works (US$17.3 million)**. This component will finance two performance-based road maintenance works contracts in order to check and reverse the process of premature deterioration and the increase in rehabilitation and maintenance costs, as well as to enhance the level of service for users on 497 kilometers of paved segments of Routes 1 and 4 of the RVF, in the Santa Cruz-Cochabamba-La Paz-Tambo Quemado corridor, the main export and import corridor, with the highest volume of vehicle traffic in Bolivia.[7,8] The segments to be covered by these contracts are shown in Table I-1.

1.8 Each performance-based road maintenance contract will be for four years, with the option to extend by one year, and will include the following obligations: (i) execution within the first contract year of mandatory works on certain road segments, to agreed standards based on preliminary, minimum designs and specifications proposed by the ABC, to be paid monthly in accordance with progress on the basis of the lump-sum prices set in the contractor's bid for each works project; (ii) management and execution of all works and maintenance tasks that the contractor considers appropriate in order to meet and maintain the agreed standards for all road components (roadway, shoulders, drainage works, road safety, and right of way), paid monthly based on the number of kilometers to be maintained during the period, at the prices set in the contractor's bid, with penalties or bonuses if the quality of actual service is worse or better than required; (iii) execution of emergency works, if necessary, based on the designs and specifications prepared by the ABC and paid at market prices for similar emergency

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[7] Data on the use of RVF routes in vehicle-kilometers/year for 2006 show that this corridor carries the most traffic, with over 50% of the total.

[8] See map of the program area (IDBDOCs 1181977).

situations; and (iv) social and environmental management of the various maintenance works and tasks covered by the contract—based on the approved environmental and social management plan and the corresponding environmental specifications—which is considered to be included in the cost of those maintenance works and tasks and is not paid separately. The component will also finance supervision of the performance-based maintenance works contracts, to be carried out by independent consulting firms hired before the contracts for the corresponding works are signed (paragraph 3.9).

Table I-1 – Segments of the RVF to be included in the program

Contract	Included routes	Length (km)
Segment 1 (277.91 km)	Route 4 – Tambo Quemado-Patacamaya	188.59
	Route 1 – Patacamaya-Caracollo	89.32
Segment 2 (219.10 km)	Route 4 – Montero-Río Ichilo-Ivirgazama	192.47
	Route 15 – Ivirgazama-Puerto Villarroel	26.63
Performance-based road maintenance works total		**497.01**

1.9 **Component 2: Support for ABC management capacities and tools (US$605,000).** This component seeks to develop and consolidate a modern, sustainable system for managing preservation of the RVF, and will finance the following activities: (a) training of ABC staff on specific aspects of performance-based maintenance; (b) public dissemination of the new model through training workshops and seminars for contractors and consulting firms in the subsector, advertising campaigns, etc.; (c) strengthening of environmental and sociocultural management at the ABC in the areas of management, training, and equipment to ensure proper treatment of these issues in performance-based road maintenance projects, including training for microentrepreneurs and contractors; (d) design and implementation of a quality management system for performance-based maintenance, to be certified by the competent authority, and (e) support for updating and improving the weight and size control system, including origin-destination studies and load stratigraphy, and development of technical and legal regulations to be submitted to the legislative authorities for consideration.

1.10 **Component 3: Engineering and administration (US$1.44 million)**. This component includes funds for: (a) preinvestment studies, to identify and develop projects allowing for the model to be replicated on the rest of the network, using an integrated, programmatic, and gradual approach; (b) specialized consulting services to support ABC on specific issues relating to performance-based maintenance management; (c) program management, including helping ABC to create and strengthen a performance-based maintenance technical unit (UTME) to coordinate the program; (d) design and implementation of systems for managing, monitoring, and evaluating program outcomes, and (e) independent external audits.

1.11 **Costs.** The program costs are summarized in the table below:

Table I-2 – Summary of program costs

Item	Amount (US$000)	% TOTAL
1. Engineering and administration	1,441.0	6.86
1.1 Studies and projects	450.0	2.14
1.2 Program management (UTME)	621.0	2.96
1.3 Monitoring and evaluation	170.0	0.81
1.4 Program audits	200.0	0.95
2. Direct costs	17,939.0	85.42
2.1 Performance-based road maintenance works	16,200.0	77.14
2.2 Works supervision	1,134.0	5.40
2.3 Support for ABC management capacities and tools	605.0	2.88
3. Contingencies	1,620.0	7.72
3.1 Physical contingencies and price escalation	1,620.0	7.72
4. Finance charges	0.0	0.00
4.1 Commitment fee	0.0	0.00
4.2 Interest	0.0	0.00
4.3 Inspection and supervision fee	0.0	0.00
Program total	**21,000.0**	**100.0%**

C. Results framework and key indicators

1.12 The expected outcomes are: (i) improved service levels on the road network, as perceived by users on segments of approximately 497 kilometers of Routes 1 and 4 of the RVF; (ii) lower vehicle operating costs in the program area, and (iii) fewer accidents attributable to road conditions and enhanced safety for different types of vehicles. The program also promotes a clear strategy for road network management built around the rational use of public resources for the subsector in a context of fiscal prudence, gradually consolidating a modern, sustainable system of conservation management for both the RVF and the rest of the Bolivian road network.

1.13 These variables, together with investment costs, are the main determinants of the program's economic rate of return and are also the key indicators for measuring outcomes. In addition, the two performance-based maintenance works contracts to be signed will allow for comparative measurements of the effectiveness of the different systems used by ABC for contracting out road preservation and maintenance, and will thereby help to firmly establish a modern, sustainable management system. The indicators and their projected values are detailed in the outcomes matrix (Annex I).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

2.1 The program has a total cost of US$21 million, which will be financed in full by the Bank from the Ordinary Capital and the Fund for Special Operations (70%-30%). The execution period will run five years from the effective date of the loan contract; a tentative disbursement schedule is presented in Table II-1 below.

Table II-1. Tentative disbursement schedule

Year	2008	2009	2010	2011	2012	2013	Total
Amount (US$000)	3,979	4,280	3,390	3,229	3,199	2,925	21,000
Percentage	18.9	20.4	16.1	15.4	15.2	13.9	100

B. Environmental and social risks

2.2 In 2004, the Ministry of Sustainable Development[9] issued the road agency general and ecoregion-specific "certificates of dispensation" (environmental licenses) to carry out periodic and routine road maintenance works, the latter having pledged to apply the environmental prevention, mitigation, and control measures identified in the environmental impact studies prepared for the country's three main ecoregions. It was therefore decided that the road agency will submit the program's environmental management plan agreed to by the Bank to the competent environmental authority in a timely manner, so as to ensure proper social and environmental management of road maintenance activities.

2.3 To fulfill this commitment and to comply with the Bank's safeguards policy, an environmental and social management framework (ESMF) was developed during program preparation, together with the ABC's Socioenvironmental Office, that includes—on the basis of a diagnostic assessment—environmental and social management methodologies, procedures, and tools to be applied throughout the project cycle, such as: (i) a methodology for systematizing the use and application of thematic maps in social and environmental project evaluation; (ii) a system for classifying potential risks associated with possible road interventions under the ABC (screening); (iii) social and environmental assessment methodologies and tools based on the road project's potential risk (scoping); (iv) guidelines for developing plans for indigenous communities and for the resettlement[10] of those adversely affected by the works; and (v) internal environmental management instruments and procedures, including public information and participation throughout the project cycle, environmental licensing, and socioenvironmental monitoring of works.

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[9] Now the Ministry of Rural Development, Agriculture, and Environment.

[10] No resettlements relating to the program's road projects are anticipated. The framework is based on Bolivian law and on the Bank's Involuntary Resettlement Policy (OP-710).

2.4 In addition, an environmental and social analysis of the road segments selected for this program, performed under the conceptual framework of the ESMF, included: identification and classification of liabilities; identification of potential impacts and the corresponding environmental prevention, mitigation, and control measures; and actions to monitor the execution of works. According to the findings of the environmental analysis, the program will produce no significant adverse environmental impacts, and the corresponding environmental prevention, mitigation, and control measures are simple and easy to identify and apply. First, the roadways to be worked on are paved, are in fair to good condition, and cross areas already touched by human development; second, only small-scale, straightforward, and traditional (from an engineering standpoint) periodic and routine maintenance works requiring adequate environmental procedures and technical specifications for their execution are planned; and lastly, the works will be executed within the current right of way, so no homes, property, or environmentally or socially sensitive areas should be affected. The program has therefore been classified as a "Category B" operation pursuant to the Bank's environment and safeguards compliance policy (document OP-703). The operation was reviewed by the Environmental and Social Impact Review Secretariat on 31 August 2008 (meeting ESR 33-07) and considered approved as presented in the Project Profile.

2.5 The findings of the environmental analysis are presented in the program's Environmental Management Plan (EMP),[11] which the ABC will submit to the competent environmental authority, in compliance with the requirements of its certificate of dispensation. The EMP includes social and environmental prevention, mitigation, and control measures, measures to remedy any critical environmental liabilities,[12] and a plan for socioenvironmental monitoring of the works. The costs associated with implementing the EMP (approximately US$500,000) will be included in the performance-based road maintenance works contracts.

2.6 The ABC has a Socioenvironmental Office with qualified technical staff and adequate environmental management tools, owing to continuous support from multilateral agencies, among them the Bank. During the preparation phase, it was found that program resources (US$85,000) were needed to support certain activities directly related to road maintenance, such as: (i) development of a technical environmental guide for road maintenance microenterprises; (ii) training activities for microentrepreneurs, contractors, works supervisors, and ABC technical staff on the adoption of environmentally sustainable road maintenance practices; (iii) procurement of computer equipment to support oversight of works and training; and (iv) studies to build technical and socioenvironmental management capacity to use and occupy rights of way.

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[11] IDBDOCs 1186534

[12] Of the 29 critical liabilities identified, 18 affect the natural or social environment, 11 affect the stability of the roadway, and 7 affect user safety (a liability may affect more than one area).

2.7 An important matter that was duly factored into the program is routine road maintenance by microenterprises formed by rural residents, which the ABC administers under the "Provial Bolivia" program. To mitigate the potentially adverse impacts of implementing the new system of contracting private companies to carry out performance-based road maintenance, the bidding conditions for performance-based road maintenance contracts require the contractor to subcontract with the microenterprises already created and trained by the ABC,[13] guaranteeing the same financial terms and conditions as those provided by the road agency.[14] In addition, program funds will be used to hire a professional for each performance-based road maintenance works contract to support the microenterprises by providing technical assistance and ongoing training to microentrepreneurs and serving as a coordinator and liaison between the microenterprise and the corresponding contractor.[15]

C. Fiduciary risk

2.8 The project team, together with ABC staff, evaluated institutional issues and fiduciary risks associated with the execution mechanism proposed for this program. The ABC completed an institutional self-assessment[16] and an analysis of its internal controls, the findings of which were validated by the team and discussed with ABC staff.

2.9 The main institutional risk has to do with the timing of completion of the ABC's realignment toward a new organizational structure. The administrative/operational risk is that the additional demands of running the program will exceed ABC's institutional capacity in terms of financial management and controls.

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[13] On the segments included in the program, routine maintenance activities are currently performed by 28 microenterprises created by 191 rural residents who live along those roads.

[14] The basic principles agreed on for the ABC–contractor–microenterprise relationship as regards routine maintenance are: (i) the contractor will be responsible for meeting the standards defined in the contract with the ABC; (ii) the microenterprises performing routine maintenance on the selected segments will be hired by the contractor on the same contractual conditions they currently enjoy vis-à-vis the ABC, or better; (iii) the contractor's obligations will include training the microentrepreneurs to carry out specific maintenance tasks; (iv) the microenterprises will receive ongoing technical support from two professionals (one per segment), to be hired by the Road Conservation Office with program resources; (v) the cost per kilometer per month, which will be the basis of the contract between the contractor and the microenterprises, will be calculated including factors such as wages, health and/or life insurance contributions, food, travel, tools, safety gear and equipment, value-added tax, management, contingencies, and profits; (vi) the contractor will pay the microenterprises within 10 calendar days of receiving the certificate of payment (IDBDOCs 1185432).

[15] The main activities to be performed by the technical professional in support of the microenterprises are presented in greater detail in the program technical annexes (IDBDOCs 1185432).

[16] The institutional assessment may be found in the program technical annexes (IDBDOCs 1185435).

2.10 Given that execution of this operation involves no major complexities and that the institutional strengthening of ABC[17] is proceeding according to plan, the risks identified in the preceding paragraph should be mitigated by creating the UTME (paragraph 3.2) to coordinate activities within the ABC.

D. Other special considerations and risks

2.11 **Technical and economic appraisal**. The road segments were selected based on an analysis of route utilization, in vehicle-kilometers/year, on the entire paved RVF, taking into account the ABC works program for the next few years and the budget available for this program. Segments with uniform characteristics were grouped geographically. Initial rehabilitation investments needed to meet minimum service standards and maintenance investments needed to maintain the level of service over the life of the contract were calculated based on the condition of the road (assessed through field visits), specialists' expertise, and the findings of the economic appraisal.[18] The preliminary designs of the rehabilitation works, prepared by the ABC with support from a specialized consulting firm (the final designs will be prepared by the contractor), present effective technical solutions and construction cost estimates consistent with current market values in the region.[19]

2.12 Investments were evaluated economically in the context of the road network as a whole, using the consumer surplus methodology. The benefits produced by intervention, vis-à-vis the base case, were quantified for a 15-year period using the HDM-4, adapted to local conditions. Savings were estimated for vehicle operating costs, travel time, and the decline in accidents. The indicators of economic rate of return were determined for each of the program segments, based on the aforementioned costs and benefits and using a discount rate of 12%. The following table summarizes the results of the analysis, which shows that both projects yield rates above the discount rate. Moreover, the sensitivity analysis performed for the different scenarios shows that even if costs are raised by 20% and benefits are reduced by the same percentage, the economic rate of return remains above 12% for both segments.

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[17] Realignment toward the new organizational structure and formal employment of temporary staff. The ABC is scheduled to finalize implementation in the first half of 2008.

[18] A detailed account of the methodology used for the preliminary technical/economic analysis may be found in the program technical annexes (IDBDOCs 1185450).

[19] The final version of the specific technical/economic studies for the program's road segments, including the corresponding bidding documents, will be submitted by the consulting firm in the second half of December 2007.

Table II-2 - Results of the cost-benefit and sensitivity analyses*

Segment	AADT 2007	Length (km)	Investment cost ($US millions)	ENPV ($US millions)	EIRR (%)			
					Base case	+ 20 % Invest-ment cost	- 20 % Benefits	+ 20 % Investment cost; - 20 % benefits
Tambo Quemado-Patacamaya-Caracollo	792	277.9	8.3	11.32	34.5	32.5	32.0	30.0
Montero-Río Ichilo-Ivirgazama-Pto. Villarroel	2,853	219.1	7.9	19.07	80.4	73.7	72.3	68.1

* Preliminary results

III. EXECUTION AND MANAGEMENT PLAN

A. Implementation mechanism

3.1 The borrower will be the Republic of Bolivia and the executing agency the Administradora Boliviana de Carreteras (ABC), an independent agency that reports to the Ministry of Public Works, Services, and Housing. The ABC's board consists of a chairman and four directors; the chairman is also the agency's Executive President. The new organizational structure, slated to be fully instituted and operational in the first half of 2008, includes a control, coordination, and support level formed by the Internal Audit Unit, the General Secretariat, the Legal Affairs Department, the Organizational Development Office, and the Procurement Office. Management will falls to two vice presidents and seven managers: the managers of the Socioenvironmental Office, the Study and Development Office, the Road Construction Office, and the Conservation and Operations Office will serve under the Technical Vice President; and the managers of the Administrative and Financial Resources Office, the Human Capital Office, and the Information Technology Office will serve under the Vice President of Administration and Finances. The ABC is a horizontally structured agency with no other hierarchical levels under the managers and the regional office chiefs.

3.2 Program execution will fall exclusively to the ABC. The Conservation and Operations Office (GCO) will be in charge of programming the works, services, and studies to be contracted out, preparing bidding documents, and supporting the contracting process to be carried out by the Procurement Office, which reports directly to the Executive President. Once the performance-based maintenance contracts are awarded, the GCO will perform oversight and the corresponding technical supervision, as well as follow up on studies. The Study and Development Office and the Construction Office will support the GCO in their areas of competence. The Socioenvironmental Office, in turn, will monitor execution of the works and ensure that all environmental specifications and management plans designed for those works are adhered to (paragraph 2.5). The experience gained in

managing other programs suggested that it would be advisable to set up a performance-based maintenance technical unit (UTME) under the GCO to provide support with various aspects of program execution, including coordinating activities between the ABC offices involved and preparing information for the Bank. The UTME's responsibilities will include: (i) planning execution of the loan and drawing up the procurement plan and annual work plans; (ii) supporting preparation of the bidding documents for the procurement of works, consulting services, and goods; (iii) supporting the evaluation committees, selecting the proposals, and assisting with the contracting procedures; (iv) performing technical monitoring, inspection, and supervision of program studies and works; (v) preparing and assisting with the processing of payments corresponding to the certificates of completion for studies, supervision, and works; (vi) helping to prepare accountability reports and disbursement requests; (vii) monitoring and evaluating program execution and outcomes, for which it will implement effective information systems. The UTME will consist of a core team working full time on program execution: a coordinator (ABC permanent staff); two road maintenance engineers, who will provide support in the areas of maintenance management, works studies, designs, and engineering, contract oversight, and technical supervision; and an operations control specialist with auditing expertise to support quality control of information processed during program execution, particularly administrative/financial information (to be hired with the loan proceeds). The UTME will also be assisted by support staff from the other ABC offices and the regional offices. UTME staff, through their coordinator, will report to the manager of the GCO.

3.3 As for the fiduciary control of resources, the ABC will, through the External Financing Unit under the Administrative and Financial Resources Office: (i) set up and maintain proper systems of contract administration, accounting/financial management, and internal control of program resources management, in accordance with Bank requirements; (ii) present timely disbursement requests and justification of eligible expenditures; (iii) prepare and submit semiannual revolving fund reports, consolidated financial program reports, and other mandatory reports; (iv) maintain an exclusive bank account to manage Bank resources separately from funds from other sources, and fully implement the IDB integrated financial management system; (v) maintain a proper filing system for documentation justifying eligible expenditures, for verification by the Bank and the external auditors, and (vi) keep updated on the agency website all information available to the public, including procurement processes, contract status, outcomes, and financial statements.

3.4 **Procurement.** Program works, goods, and services will be procured in accordance with the "Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank" (document GN-2349-7, July 2006) and the "Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank" (document GN-2350-7, July 2006), as applicable.

3.5 **Revolving fund.** The ABC will make arrangements to open and maintain a "special account" for the duration of the program specifically to manage the proceeds of the Bank loan separately from funds from other sources. A revolving fund of up to 5% of the total loan amount will be established, in accordance with Bank procedures, from which program disbursements will be deposited in the account set up specifically for that purpose. The ABC will prepare disbursement requests on behalf of the borrower and submit semiannual fund status reports to the Bank within 60 days after the close of every calendar six-month period.

3.6 **Disbursements**. Disbursements requests will be accompanied by the supporting documents required by the Bank for ex ante review. If the Bank believes that there is sufficient proven institutional capacity in terms of financial management and control, then it may decide to supervise the operation following the guidelines for ex post review.

3.7 **External audits**. Every year throughout the execution period, the ABC will submit program financial statements duly audited by an independent auditing firm acceptable to the Bank, in accordance with the latter's specifications (documents AF-100 and AF-300). The firm will be selected and hired following the procedures set out in document AF-200. The terms of reference for the financial/operational audit will be approved in advance by the Bank (documents AF-400 and AF-500) and will include, in addition to the annual audited program financial statements, midyear reports to be submitted within 60 days after the end of the first half of each fiscal year. Annual financial statements will be submitted within 120 days after the close of the fiscal year, while the closing financial statements for the program will be submitted within 120 days after the last disbursement. The cost of these external audits will be considered part of the overall program costs.

3.8 **Conditions precedent to the first disbursement:** As conditions precedent to the first disbursement: (i) a performance-based maintenance technical unit (UTME) must be formally in place and functioning, including appointment of a coordinator and preparation of an organizational chart, a functions manual, and terms of reference for hiring additional support staff; and (ii) a subsidiary agreement between the borrower and the executing agency for program implementation must have been signed and be in effect under the terms agreed with the Bank.

3.9 **Special conditions for program execution**. As conditions precedent to execution: (i) the executing agency must have hired three additional professionals to support the UTME within two months after the operation is declared eligible for disbursement in accordance with the terms of reference agreed with the Bank (paragraph 3.2), and (ii) before a performance-based maintenance contract can be signed, the executing agency must have hired the independent consulting firm to supervise that contract.

B. Monitoring and evaluation arrangements

3.10 The program outcomes are those typical of a road maintenance project, and will be determined by measuring the condition of the roadway and of other road elements,

savings in terms of operating costs and travel times, traffic flows, and the resulting economic rate of return, and by monitoring the trend in accident rates on all program segments, the level of maintenance coverage on the network under this model, and the figures enabling cost-efficiency ratios to be compared for all models in use. The organizational structure of program execution will allow these measurements to be taken quickly and economically. The measurement methodology, sources of data for verification, and the persons in charge of each are spelled out in the technical annex.

3.11 **Monitoring.** The project team and the Bank's Country Office in Bolivia will be in charge of overall program monitoring. During the first two years of the program, the project team will conduct monitoring and technical support missions every six months. The ABC will submit semiannual execution reports to the Bank within 60 days following the end of each calendar six-month period, containing program outcomes evaluated on the basis of the monitoring indicators in the outcomes matrix (Annex 1). The reports will include the following information, at minimum: (i) progress in making the agreed execution indicators and disbursement schedule; (ii) updated execution and disbursement schedules; (iii) a work schedule and detailed action plan for the next two six-month periods; (iv) status of the condition indicators for the program segments; (v) review of the reports from the companies hired to supervise the performance-based maintenance contracts, and (vi) other issues that could compromise the program. The ABC will submit, by 30 November of each year, the annual work plan (AWP) for the following year, including activities and projects to be financed, a timetable, and an estimated budget.

3.12 **Evaluation.** The program evaluation system will consist of: (i) ongoing review by the ABC of program performance and the AWPs; and (ii) specific performance evaluations and participatory evaluation exercises, as outlined below:

3.13 *Technical, operational, and socioenvironmental analysis of program implementation.* This analysis is to be performed every year by the ABC, and the findings will be included in the semiannual progress report for the second half of each year (paragraph 3.11), noting the difficulties encountered, best practices, and lessons learned, etc., during the year under review.

3.14 *Midterm evaluation.* Thirty months into the program or when 50% of the loan proceeds have been disbursed, the Bank will examine: (i) initial outcomes of using performance-based maintenance contracts, including bidding processes and outcomes; (ii) the UTME's and the ABC's capacity for performance-based maintenance management; (iii) compliance with social and environmental good practices; (iv) achievement of outcome indicators; (v) the need for corrective actions; and (vi) lessons learned.

3.15 *Ex post evaluation*. The ABC, through the UTME, will compile, save, and keep available all information, indicators, and guidelines, including the AWPs, the annual technical, operational, and socioenvironmental evaluations, and the midterm and final evaluations, for use in the event of an ex post evaluation.

C. Significant post-approval activities

3.16 To expedite program startup, the work plan calls for the Bank to provide substantial support for preliminary activities, with special emphasis on the period during which the loan is in the process of legislative approval and the ABC is meeting the conditions precedent to the first disbursement. This support will come from consultants hired with administrative and technical-cooperation resources, and from sector specialists who will devote considerable time to helping the ABC start up the UTME, prepare bidding documents, train agency staff on performance-based road maintenance issues, publicize the model among potential bidders, and clear up any technical, administrative, or legal uncertainties surrounding performance-based road maintenance contracts and the bidding and contract award process. This support will likely be concentrated during the eight months following approval of the loan.

3.17 The final version of the standard performance-based maintenance contract adapted to local conditions, including the specific technical/economic studies for the road segments selected for the program and the corresponding bidding documents, will be submitted in the second half of December 2007 by the consulting firm hired through the Bank-administered Infrafund.

PERFORMANCE-BASED ROAD MAINTENANCE (BO-L1015)
ANNEX I: OUTCOMES MATRIX

General objective:	To help make regional industry more competitive and to further the economic and social integration of Bolivia's people through sustainable improvement of freight and passenger transportation conditions on several main corridors of the country's paved principal road network (RVF).							
Purpose:	(i) to lower transportation costs by improving road serviceability and safety on a significant portion of priority national corridors and routes connecting production areas with domestic markets and those in neighboring countries, and (ii) to preserve the country's road assets by promoting sustainability through development and implementation of appropriate maintenance systems.							
Outcome indicators	**Baseline**	**Target**	**Comments**					
Average vehicle operating costs on the 497 km of the RVF covered by the program decline.	Year 0= 0%	Year 4=3%	Vehicle operating costs will be calculated annually by the ABC using the HDM model. Cost evaluations will take into account the current value of inputs and outputs at the time of evaluation. Also, the model will be applied assuming constant input and output costs for the purposes of measuring the impact attributable to the program.					
Over time, the program increases the average condition index on 497 km of the paved RVF.	Year 0=60%	Year 4=90%	The condition index given in the monthly supervision reports for the surface course; shoulders; drainage systems; signs, signals, and pavement markings, etc., will be used.					
User opinion of the 497 km of the RVF covered by the program becomes more favorable.	Year 0= to be determined	Year 4= increase ≥ 20%	Annual surveys will be conducted, in the field as well as at centers/associations that bring together key respondents, using an agreed methodology in order to gauge user opinion of service on the segments in question.					
On the 497 km covered by the program, the condition index relating to road safety elements increases and remains higher over time.	Year 0=50%	Year 4=90%	The condition index for road safety elements given in the monthly supervision reports will be used.					
Objective of component 1	To check and reverse the process of premature road deterioration and to improve the level of service for users on paved segments of Routes 1 and 4 of the RVF, through two performance-based road maintenance contracts.							
Component 1	**Baseline**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Target**	**Comments**
Outputs Portion of the paved RVF managed using performance-based road maintenance contracts.	0 km	497 km	497 km	497 km	497 km	--	497 km	

Objective of component 2	To support the ABC's management capacities and tools to consolidate a modern, sustainable system for managing performance-based maintenance of the RVF.							
Component 2	**Baseline**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Target**	**Comments**
Outputs The UTME is firmly established within the ABC as the main resource for performance-based maintenance management.	N/A	Timely submission of reports	Timely submission of reports	Timely submission of reports	Timely submission of reports	Timely submission of reports	Operation of UTME rated adequate	UTME management will be rated based on the semiannual and annual program monitoring reports.
ABC staff are trained on the performance-based road maintenance model.	N/A	10	5	5	5	--	25	The methodology calls for an initial training of trainers, who will carry on the training process in subsequent years.
The new performance-based road maintenance model is publicized.	N/A	4	2	2	2	--	10	The indicator is events held: (i) workshops, conferences, seminars, etc.; (ii) mass media campaigns.
The ABC is strengthening in terms of social and environmental management.	N/A	30	30	30	30		Strengthened social and environmental management at the ABC	Entrepreneurs and microentrepreneurs trained by the ABC on maintenance-related social and environmental issues.
The system of quality management of performance-based road maintenance is designed and implemented.	N/A	--	--	Certificate issued by the competent authority.	--	--	Quality management system for performance-based road maintenance certified	

Component 2	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
Support is provided for the vehicle weight and size control system.	N/A	--	--	System design and draft law governing the vehicle weight and size control system on the RVF completed.	--	--	Draft law governing the RVF vehicle weight and size control system presented to the Congress	
Objective of component 3	Preinvestment studies, to identify and develop projects allowing for the model to be replicated on the rest of the network, using an integrated, programmatic, and gradual approach.							
Component 3	**Baseline**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Target**	**Comments**
Outputs Technical and economic studies are completed and available for contracting out performance-based maintenance management of approximately 700 km.	0 km	0 km	0 km	0 km	700 km	700 km	700 km	

PERFORMANCE-BASED ROAD MAINTENANCE (BO-L1015)
PROCUREMENT PLAN

Project number: BO-L1015 - Loan contract number: N/A
Period covering: February 2008 to May 2013

Ref.No.[a]	Description of the contract and estimated cost of procurement (in thousands of US$)	Procurement method[b]	Review (ex ante or ex post)	Source of financing and percentage		Prequalification[c] (Yes/No)	Estimated dates		Status[d] (pending, in process, awarded, cancelled)	Comments
				IDB %	Local %		Publication of Specific Procurement Notice	Completion of contract		
I. Goods and services										
B.1	Minor computer equipment for the UTME and for strengthening ABC's Socioenvironmental Office (GSA) *(Estimated cost: US$27)*	PC	Ex ante	100%	0%	NO	June 2008	August 2008	Pending	Computers, printers, photocopier, software, GPS, etc. for the UTME and for the GSA.
II. Performance-based road maintenance works										
O.1	Tambo Quemado-Patacamaya-Caracollo (277.91 km). *(Estimated cost: US$8,300)*	ICB	Ex ante	100%	0%	NO	January 2008	August 2008	Pending	The Standard Bidding Document for the Procurement of Major Works will be used, adapted to this particular type of contract taking into account the experimental model in technical sections of the World Bank standard bidding document.
O.2	Montero-Río Ichilo-Ivirgarzama-Pto. Villarroel (219.10 km). *(Estimated cost: US$7,900)*	ICB	Ex ante	100%	0%	NO	January 2008	August 2008	Pending	

Ref.No.[a]	Description of the contract and estimated cost of procurement (in thousands of US$)	Procurement method[b]	Review (ex ante or ex post)	Source of financing and percentage		Prequalification[c] (Yes/No)	Estimated dates		Status[d] (pending, in process, awarded, cancelled)	Comments
				IDB %	Local %		Publication of Specific Procurement Notice	Completion of contract		
III. Nonconsulting services										
S.1	Editing and publication of a technical/environmental guide for microenterprises *(Estimated cost: US$6)*	PC	Ex ante	100%	0%	NO	October 2008	January 2008	Pending	
S.2	Firms to organize events, hold training workshops, and provide logistical support for all the training and dissemination activities of the GSA strengthening plan *(Estimated cost: US$43)*	PC	Ex ante	100%	0%	NO	September 2008	April 2013	Pending	
S.3	Specialized firm to organize and hold workshops, seminars, and informational campaigns on the performance-based road maintenance model *(Estimated cost: US$120)*	NCB	Ex ante	100%	0%	NO	September 2008	April 2008	Pending	
IV. Consulting services										
C.1	Supervision of works on the Tambo Quemado-Patacamaya-Caracollo segment (280 km) *(Estimated cost: US$581)*	LCS	Ex ante	100%	0%	NO	November 2007	November 2012	Pending	International request for proposals
C.2	Supervision of works on the Montero-Río Ichilo-Ivirgarzama-Pto. Villarroel segment (220 km) *(Estimated cost: US$553)*	LCS	Ex ante	100%	0%	NO	November 2007	November 2012	Pending	International request for proposals
C.3	Five individual consultants to serve as supplemental UTME staff *(Estimated cost: US$604)*	NICQ	Ex ante	100%	0%	NO	May 2008	May 2013	Pending	Includes two maintenance engineers and an accounting manager for the UTME and two road engineers or

Ref.No.[a]	Description of the contract and estimated cost of procurement (in thousands of US$)	Procurement method[b]	Review (ex ante or ex post)	Source of financing and percentage		Prequalification[c] (Yes/No)	Estimated dates		Status[d] (pending, in process, awarded, cancelled)	Comments
				IDB %	Local %		Publication of Specific Procurement Notice	Completion of contract		
										technicians for microenterprise support
C.4	Consulting firm for preinvestment studies *(Estimated cost: US$300)*	QCBS	Ex ante	100%	0%	NO	February 2009	October 2010	Pending	International request for proposals
C.5	Individual consultants to design and implement all the monitoring and evaluation systems required by the ABC's Road Conservation Office and the UTME during program execution *(Estimated cost: US$170)*	IICQ, NICQ	Ex ante	100%	0%	NO	September 2008	April 2013	Pending	
C.6	Specialized individual consultants to support the ABC during the bidding period and bid evaluation and during execution in solving special problems *(Estimated cost: US$150)*	IICQ, NICQ	Ex ante	100%	0%	NO	February 2008	April 2013	Pending	
C.7	Program audits *(Estimated cost: US$200)*	QCBS	Ex ante	100%	0%	NO	October 2008	April 2013	Pending	
C.8	Individual consultant to train ABC staff on the performance-based maintenance model *(Estimated cost: US$100)*	IICQ	Ex ante	100%	0%	NO	October 2008	December 2012	Pending	International consultant
C.9	Individual consultant to conduct studies to determine proper use of the right of way at critical points: Tambo Quemado customs checkpoint; town of Patacamaya; and Bulo Bulo toll plaza (three-month consulting contract) *(Estimated cost: US$10)*	NICQ	Ex ante	100%	0%	NO	October 2008	March 2009	Pending	

Ref.No.[a]	Description of the contract and estimated cost of procurement (in thousands of US$)	Procurement method[b]	Review (ex ante or ex post)	Source of financing and percentage		Prequalification[c] (Yes/No)	Estimated dates		Status[d] (pending, in process, awarded, cancelled)	Comments
				IDB %	Local %		Publication of Specific Procurement Notice	Completion of contract		
C.10	Individual consultant to prepare a technical/environmental guide for microenterprises *(Estimated cost: US$6)*	NICQ	Ex ante	100%	0%	NO	March 2008	October 2008	Pending	
C.11	Individual consultant to train staff of the ABC and other agencies in social and environmental management *(Estimated cost: US$10)*	IICQ	Ex ante	100%	0%	NO	September 2008	December 2012	Pending	One workshop per year for four years
C.12	Consulting firm to design and implement a quality performance-based maintenance management system *(Estimated cost: US$100)*	QCBS	Ex ante	100%	0%	NO	September 2008	June 2010	Pending	
C.13	Individual consultant for strengthening of the vehicle weight control system *(Estimated cost: US$200)*	IICQ	Ex ante	100%	0%	NO	September 2008	December 2012	Pending	International consultant—periodic activity over four years

a. If there are a number of similar individual contracts to be executed in different places or at different times, these can be grouped together under a single heading with an explanation in the comments column indicating the average individual amount and the period during which the contracts would be executed.

b. **Goods and works: ICB:** international competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **S:** shopping; **DC:** direct contracting; **FA:** force account; **PSA:** procurement through specialized agencies; **PAs:** procurement agents; **IA:** inspection agents; **PLFI:** procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** performance-based procurement; **PLGB:** procurement under loans guaranteed by the Bank; **PSC:** community participation procurement. Consulting firms**: QCBS:** quality- and cost-based selection; **QBS:** quality-based selection; **FBS:** selection under a fixed budget; **LCS:** least-cost selection; **CQS:** selection based on the consultants' qualifications; **SSS:** single-source selection. Individual consultants: **NICQ:** national individual consultant selection based on qualifications; **IICQ:** international individual consultant selection based on qualifications.

c. Under the new policies, applies only to goods and works. Under the old policy, applies to goods, works, and consulting services.

d. The "Status" column will be used for retroactive procurement and procurement plan updates.

PERFORMANCE-BASED ROAD MAINTENANCE (BO-L1015)
ANNEX III: ENVIRONMENT AND SAFEGUARDS CLASSIFICATION

SAFEGUARD POLICY FILTER REPORT

This Report provides guidance for project teams on safeguard policy triggers and should be attached as an annex to the Project Concept Document (or equivalent) together with the Safeguard Screening Form, and sent to CESI.

Project details	**IDB Sector**	Transportation and Communication
	Type of Operation	Investment Loan
	Additional Operation Details	
	Country	Bolivia
	Project Status	New Operation
	Investment Checklist	Infrastructure Road and Rail
	Team Leader	Luis Uechi
	Project Title	Performance-based Road Maintenance
	Project Number	BO-L1015
	Safeguard Specialist(s)	*To be completed by assessor*
	Assessment Date	2007-08-08
	Assessment Number	2007-08083506-2
	Additional Comments	

Safeguard Policy Filter Results	**Type of Operation**	Investment Loan	
	Safeguard Policy Items Identified (Yes)	Potential to cause air, soil or water contamination (also see B.10).	**(B.11)**
	Potential Safeguard Policy Items (?)	No potential issues identified	
	Recommended Action	Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PCD (or equivalent) and Safeguard Screening Form to CESI Secretariat. *Policy Directives can be accessed from the Resources tab on the Toolkit home page.*	
	Additional Comments	The potential for natural resources to be adversely affected is fairly low, as the road maintenance activities are small in scale and will be carried out entirely within the right of way.	

Assessor Details	**Name of person who completed screening:**	Vera Vicentini/Luis Uechi
	Title	
	Date	2007-08-08

SAFEGUARD SCREENING FORM

This Report provides a summary of the project classification process and is consistent with Safeguard Screening Form requirements. The printed Report should be attached as an annex to the Project Concept Document (or equivalent) (together with the Safeguard Policy Filter Report) and sent to CESI.

Project details	**IDB Sector**		Transportation and Communication
	Type of Operation		Investment Loan
	Additional Operation Details		
	Country		Bolivia
	Project Status		New Operation
	Investment Checklist		Infrastructure Road and Rail
	Team Leader		Luis Uechi
	Project Title		Performance-based Road Maintenance
	Project Number		BO-L1015
	Safeguard Specialist(s)		*To be completed by assessor*
	Assessment Date		2007-08-08
	Assessment Number		2007-08084331-2
	Additional Comments		
Project classification summary	**Project Category:** **B**	**Override Rating:**	**Override Justification:** **Comments:**
	Conditions/Recommendations	• Category "B" operations require an environmental analysis (see Environment Policy Guideline: Directive B.5 for Environmental Analysis requirements). • The Project Team must send the PCD (or equivalent) containing an Environmental and Social Strategy (ESS -- the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3; paragraph 9) and the SSF to the CESI. *Policy Directives can be accessed from the Resources tab on the Toolkit home page.*	

	Identified Impacts/Risks	**Potential Solutions**
Summary of impacts/risks and potential solutions	Generation of untreated solid waste but this is **minor** in volume and does not contain hazardous materials.	• Solid Waste Management: The client should monitor and report on waste reduction, management and disposal.

Assessor details	**Name of person who completed screening: Vera Vicentini/Luis Uechi**	**Date: 8 August 2007**
	Comments:	

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PROPOSED RESOLUTION DE-__/07

Bolivia. Loan ____/BL-__ to the Republic of Bolivia
Road Maintenance by Standards Program

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, to enter into such contract or contracts as may be necessary with the Republic of Bolivia, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a road maintenance by standards program.

2. Such financing will be for the amount of up to US$21,000,000, as follows:

(i) up to the amount of US$14,700,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and

(ii) up to the amount of US$6,300,000, from the resources of the Bank's Fund for Special Operations.

3. Such financing will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Executive Summary of the Loan Proposal.

(Adopted on [day] [month] [year])

LEG/SGO/BO-1201649-07
BO-L1015