

Message Text

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ACTION ARA-20

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SUBJ: PLANNED REVISIONS TO GOB PROJECT AND PLANNING ENTITIES

1. ACCORDING TO HECTOR ORMACHEA, DIRECTOR OF INSTITUTO NACIONAL DE FINANCIAMIENTO (INDEF), PLANNING AND PROJECT DEVELOPMENT ENTITIES OF GOB WILL SOON BE REVAMPED AND IMPROVED WITH A VIEW TO INCREASING THE NUMBER OF FINANCE-WORTHY PUBLIC SECTOR PROJECTS. ORMACHEA SAID MOST OF REORGANIZATION WAS HIS IDEA AND HAD BEEN ACCEPTED BY MINISTER FOR COORDINATION LECHIN.

2. ORMACHEA SAID MINISTER FOR COORDINATION WOULD SOON HAVE THREE SUBSECRETARIES: MACROECONOMIC PLANNING, COORDINATION, AND DECREE PREPARATION. (LATTER WOULD TAKE OVER RESPONSIBILITIES OF SECRETARY GENERAL TO THE PRESIDENCY). SUBSECRETARY FOR MACROECONOMIC PLANNING WOULD WORK OUT OVERALL DEVELOPMENT STRATEGY AND SECTOR INVESTMENT EMPHASES UPON BASIS OF WHICH INITIAL PROJECT PRIORITY RANKING WOULD BE ESTABLISHED.

3. PLANNING OFFICES IN EACH MINISTRY WOULD DEVELOP SECTOR AND SUBSECTOR STRATEGIES AND PROJECTS UP TO LEVEL OF PREFEASIBILITY STUDIES. PROJECT STUDIES WOULD BE SUBMITTED TO LOAN COMMITTEE OF CONEPLAN
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COUNCIL (CONEPLAN SECRETARIAT TO BE BROKEN UP) WHICH

WOULD ASSIGN PRIORITY RANKING AND SEND ON TO DEPENDENCY
TO BE CREATED UNDER MINISTER OF COORDINATION TO BE CALLED
INSTITUTO NACIONAL DE PREINVERSION (INALPRE).

4. INALPRE (DRAFT DECREE TO ESTABLISH IT ALREADY
PREPARED AND BEING STUDIES) WOULD EITHER COMPLETE
PREINVESTMENT STUDY OR CONTRACT WITH PRIVATE CONSULTANTS
TO DO IT AND PERHAPS FEASIBILITY STUDY. ORMACHEA REFERRED
TO COLUMBIAN GOVERNMENT INSTITUTION, FONADE, AS MODEL
BOLIVIAN HAVE IN MIND. (PROBABLY THIS ARISES FROM
ADVICE OF OMAR BOTERO, THE FORMER DIRECTOR OF FONADE,
WHO HAS VISITED BOLIVIA ON BEHALF OF THE IDB TO GIVE
ADVICE TO THE GOB ON THE ESTABLISHMENT OF INDEF.)

5. AS STUDIES COMPLETED BY EITHER INALPRE OR STATE
ENTERPRISES THEY WOULD BE REFERRED TO INSTITUTO NACIONAL
DE FINANCIAMIENTO (SEE LA PAZ A-154, AUG 2, 1974) FOR
ARRANGMENT OF FINANCING. ACCORDING TO ORMACHEA, CURRENT
PLANS ARE TO DISBURSE SUCH FINANCING TO EXECUTING AGENCY
THROUGH CENTRAL BANK AND DCCP. ACCORDING TO ORMACHEA,
EACH OF KEY ORGANIZATIONS, LOAN COMMITTEE INDEF AND
INALPRE, WILL HAVE SAME KEY MEMBERS (ON THEIR BOARDS
IN CASES OF INDEF AND INALPRE) INCLUDING MINISTER OF
COORDINATION, MINISTER OF FINANCE, REPRESENTATIVE OF
THE PRESIDENCY (PROBABLY GASTON VALLA), PRESIDENT OF
THE CENTRAL BANK AND THE EXECUTIVE DIRECTORS OF INDEF
AND INALPRE. ORMACHEA BELIEVES THIS STRUCTURE, TO BE
IN PLACE IN TWO OR THREE WEEKS, WILL IMPROVE COORDINATION
AND STRENGTHEN PROJECT DEVELOPMENT PROCESS.

6. COMMENT: PLANNED REORGANIZATION APPEARS TO
STRENGTHEN POSITION OF MINISTER OF COORDINATION WHO
IS ALREADY BEING VISITED AS A KEY OFFICIAL BY FOREIGN
BUSINESSMEN CONSIDERING INVESTMENTS OR INVITATIONS TO
BID. NEED FOR MORE RAPID DEVELOPMENT OF PUBLIC SECTOR
PROJECTS WAS BROUGHT HOME WHEN GOB FOUND IT DIFFICULT
TO USE US \$25 MILLION BORROWED FROM GROUP OF BANKS LED
BY BANK OF AMERICA. WE BELIEVE THAT THE NATIONAL ACCOUNTS
OFFICE PRESENTLY IN CONEPLAN WILL PROBABLY BE SHIFTED TO
CENTRAL BANK. IMF EXPECTED TO FINANCE NATIONAL ACCOUNTS
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SPECIALIST TO IMPROVE PRESENTLY NEARLY USELESS ACCOUNTS.
STEDMAN

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