Statement by José H. Machillanda  
Date of Meeting: June 5, 2001

**BOLIVIA: Country Assistance Strategy Progress Report**

1. At the outset, we want to give due recognition to the efforts made by the Bolivian authorities, as demonstrated by the Vice President of Bolivia during his visit to the World Bank. He enabled us to learn, in depth, about Bolivia’s poverty reduction efforts and the participation process to design the PRSP.

2. We welcome the way the Government of Bolivia prepared the PRSP. It focuses on poverty alleviation and the process included a strong participation of various segments of the civil society. The PRSP emerged as a bottom-up strategy.

3. We also support the extension of a gradually hardening blend status into FY04 and possibly FY05, which would allow Bolivia to undergo a smooth transition as it gradually shifts from IDA to IBRD financing without facing a severe drop in World Bank funding. In addition, we believe that the extension would allow a better implementation of the PRSP.

4. The Government of Bolivia has achieved economic growth at a slightly lower pace than expected. However, considering the Asian and Russian crises and the drop in capital flows to the region, Bolivia’s performance has been satisfactory. We believe that, at this stage, general support on the part of international organizations and other financial institutions is very important to allow the previous and current efforts to materialize.

5. We welcome the coordination among donors that have expressed their willingness to align their assistance programs to the PRSP and to pursue the CDF principles.

6. As Vice President Quiroga recently expressed, the initiatives implemented by the Government of Bolivia have already shown some positive results. We expect an even better implementation of the new programs with a higher level of civil participation.