

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BOLIVIA

**URBAN INTEGRATION PROGRAM:
LINEAR PARK FOR LA PAZ AND EL ALTO**

(BO-L1212)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Roberto Cambor (CSD/HUD), Project Team Leader; Alejandro Lopez-Lamia, Alternate Project Team Leader; Sebastian Lew, Sofia del Castillo, Rodrigo Criaes, Maria Alejandra Villota, Silvia Pérez, and Dianela Ávila (CSD/HUD); Iván Gaviria and Jorge Cossío (VPC/FMP); Jenedith Montenegro (SCL/GDI); Alejandro Quevedo (CAN/CBO); Julio Rojas and Alejandra Catacoli (VPS/ESG); Javier Jimenez (LEG/SGO); Jorge Choquehuanca (CSD/CCS); and Luis Enrique Miranda (CSD/RND).

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ABBREVIATIONS

ESPF	Environmental and Social Policy Framework
GHG	Greenhouse gas
ICAP	Institutional Capacity Assessment Platform
SDG	Sustainable Development Goal
UTA	Unidad Técnica Aeroportuaria (Airport Technical Unit)

PROJECT SUMMARY

BOLIVIA

URBAN INTEGRATION PROGRAM: LINEAR PARK FOR LA PAZ AND EL ALTO (BO-L1212)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility^(a)	
Plurinational State of Bolivia			Amortization period:	22 years
Executing agency:			Disbursement period:	5 years
Ministry of Public Works, Services, and Housing through the Office of the Deputy Minister of Transportation.			Grace period:	10.4 years ^(b)
Type of loan:			Interest rate:	SOFR-based
Specific investment (ESP)			Credit fee:	^(c)
Source	Amount (US\$)	%	Inspection and supervision fee:	^(c)
IDB (Ordinary Capital):^(d)	30,000,000	100	Weighted average life:	15.24 years
Total:	30,000,000	100	Approval currency:	U.S. dollars
Project at a Glance				
Project objective/description: The general objective of the project is to contribute to the comprehensive and sustainable urban development of the cities of La Paz and El Alto by creating a system of new quality public spaces. The specific objectives are to: (i) improve access to quality public spaces and sustainable connectivity between La Paz and El Alto; (ii) promote the conservation of strategically important natural environments, strengthening their resilience and contributing to climate change mitigation in La Paz and El Alto; and (iii) build the executing agency's capacities to operate and manage the linear park with a gender and diversity approach (paragraph 1.25).				
Special contractual conditions precedent to the first disbursement of the loan: Special contractual conditions precedent to the first disbursement are that the executing agency has, to the Bank's satisfaction, submitted evidence of: (i) the approval and entry into force of the program Operating Regulations, under the terms and conditions previously agreed upon with the Bank; and (ii) the formation of the execution unit team, and the appointment or hiring of, at a minimum, one technical coordinator, one procurement specialist, one financial specialist, one environmental specialist, one social specialist, and one planning and monitoring specialist on a full-time equivalent basis (paragraph 3.4).				
Special contractual conditions for execution: None.				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges:^(e)	SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	ES <input type="checkbox"/>	IC <input type="checkbox"/>
Crosscutting themes:^(f)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>	
Sustainable Development Goals:^(g)	SDG1 <input type="checkbox"/> SDG2 <input type="checkbox"/> SDG3 <input type="checkbox"/> SDG4 <input type="checkbox"/> SDG5 <input checked="" type="checkbox"/> SDG6 <input type="checkbox"/> SDG7 <input type="checkbox"/> SDG8 <input type="checkbox"/> SDG9 <input checked="" type="checkbox"/> SDG10 <input checked="" type="checkbox"/> SDG11 <input checked="" type="checkbox"/> SDG12 <input type="checkbox"/> SDG13 <input checked="" type="checkbox"/> SDG14 <input type="checkbox"/> SDG15 <input checked="" type="checkbox"/> SDG16 <input checked="" type="checkbox"/> SDG17 <input type="checkbox"/>			

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule as well as currency, interest rate, and commodity conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life or the last payment date as documented in the loan contract.

^(c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

^(d) Under document AB-2990, "Enhancing Macroeconomic Safeguards at the Inter-American Development Bank," the disbursement of loan proceeds will be subject to the following maximum limits: (i) up to 15% for the first 12 months; (ii) up to 30% for the first 24 months; and (iii) up to 50% for the first 36 months. All such periods will commence as of the date of loan approval by the Board of Executive Directors. These limits may cease to apply when the requirements set out in the Bank's policy on such limits have been met, provided that the borrower has received written notice to this effect.

^(e) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(f) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

^(g) SDG (Sustainable Development Goal). For more information on the SDGs, click [here](#). To consult the IDB Group SDG Project Classification Methodology, click [here](#).

I. DESCRIPTION OF THE PROJECT AND RESULTS

A. Background, problem addressed, and rationale

- 1.1 **Background.** Bolivia is a small, open economy, whose economic cycle exhibits a high correlation with the price of oil, due to its limited diversification of production and exports, which are highly concentrated in commodities (hydrocarbons and minerals). During the period 2003-2013, the economy grew at a rate of 4.7%, the real per capita GDP grew nearly 40%, poverty declined significantly from 62% to 26%, and the middle class expanded. In response to the shock of the pandemic, the economy contracted 8.8% in 2020 to then rebound in 2021 with growth of 6.1%. In the absence of structural adjustments, the economy is projected to grow during 2023-2024 at under 2%, below the average growth of the last 20 years (3.8%). Since 2014, the country has been running fiscal deficits, reaching 12.7% of GDP in 2020. Although there is no fiscal consolidation plan, the fiscal deficit should gradually trend toward 4% of GDP by 2028, following its downward trend observed since 2014, the year in which it peaked at US\$15.123 billion (46% of GDP), according to the most recent official data available (April 2023), when total net international reserves (NIR) stood at a minimum level of US\$3.158 billion (7% of GDP). The city of La Paz is located in western Bolivia at an altitude of 3,650 meters above sea level, 68 km southeast of Lake Titicaca, and set in a canyon created by the Choqueyapu River, surrounded by the high mountains of the Altiplano. The city of El Alto is located on the Altiplano highlands at an altitude of 4,150 meters above sea level. Both cities are located in the department of La Paz, which is the highest-altitude urban region in the Andes Mountains and in the world. Together, they make up Bolivia's largest metropolitan area—the La Paz metropolitan area—which is home to approximately two million people (approximately 17% of the country's total population).
- 1.2 With 956,732 inhabitants,¹ La Paz is the seat of the national government and thus the hub of Bolivia's political activity. With 1,109,048 inhabitants,² El Alto is integrated with La Paz geographically, socially, culturally, and economically and is characterized by constant migratory flows from the country's other regions.³ Both cities have experienced rapid population growth in recent decades: 33.6% in La Paz⁴ and 173.5% in El Alto during the 1992–2022 period. This swift increase has hindered orderly, efficient, and sustainable development. Accordingly, the La Paz metropolitan area presents challenges that transcend political-administrative boundaries and need to be addressed in a comprehensive manner.⁵

¹ [National Statistics Institute, 2020.](#)

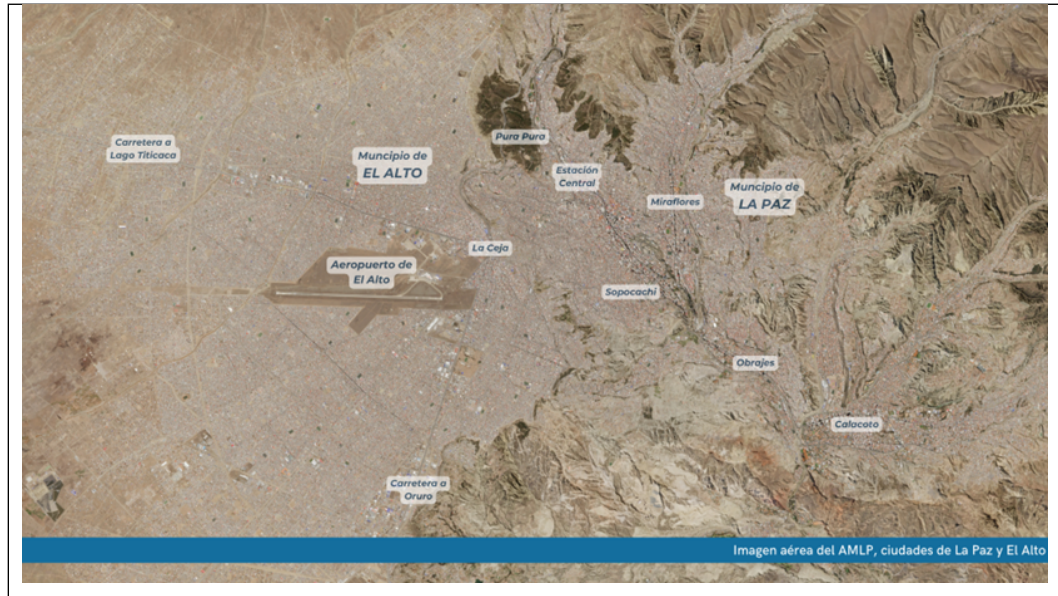
² Ibid.

³ Population growth is coupling with internal migration. Human mobility toward big cities responds to the desire to find work and improve living conditions while securing access to adequate food, health, housing, and education, which in are lacking in many regions. Better infrastructure and opportunities tend to be concentrated in the metropolitan region. [Efecto de las migraciones en las concentraciones urbanas de Santa Cruz, Cochabamba, La Paz y El Alto, Bolivia](#), Hábitat y Sociedad, 2022.

⁴ [Copa et al. 2021.](#)

⁵ [Copa et al. 2021.](#)

Figure 1. Image of the area of the cities of La Paz and El Alto



Source: Prepared by the authors based on Google Earth satellite images.

- 1.3 **Problem addressed.** One of the main challenges facing the La Paz metropolitan area is that both La Paz and El Alto lack quality public spaces that facilitate leisure activities and recreation, effective connectivity, and the conservation of a minimal level of biodiversity. Public spaces are vital to fostering interaction and collective connectedness, as well as urban resilience and risk mitigation in the face of climate change. When properly designed and maintained, such spaces become a key asset for cities and their inhabitants, contributing, inter alia, to improving the quality of life and habitat.⁶ Public spaces are therefore part of Sustainable Development Goal 11, target 11.7, which is to provide universal access to safe, inclusive, and accessible green and public spaces, in particular for women and children, older persons, and persons with disabilities by 2030.^{7, 8}
- 1.4 However, according to a study based on satellite image analysis, La Paz has an average of 9.8 m² of green areas per inhabitant,⁹ while El Alto has only 1.5 m² per inhabitant.¹⁰ In the region, cities (in m² per inhabitant) such as Bogota (12.9), Quito (14), Montevideo (14.7), Lima (15), and San José (16) have driven improvements

⁶ Calaza P., Carimanos P., Escobedo, Schwab J., Tovar G, *Building Green Infrastructure and Urban Landscapes*, Food and Agriculture Organization of the United Nations, Unasylya 250, Vol. 69, pp. 11–21, 2018.

⁷ UN-Habitat, [Module 6](#), Public Space, 2020; Borelli M., Conigliaro M. Pineda F., *Urban Forest in the Global Context*, Food and Agriculture Organization of the United Nations, Unasylya 250, Vol. 69, pp. 3–10, 2018.

⁸ Some of the benefits include contributing to overall wellbeing, sequestering carbon dioxide, reducing the impacts of climate change, regulating environmental temperature, filtering water and reducing surface runoff, conserving biodiversity, and fostering healthy activities such as walking, cycling, and sports. UN-Habitat (4 January 2018), [El espacio público: componente clave de una ciudad sostenible](#). Accessed 20 August 2023.

⁹ [Índices de área verde y cobertura vegetal de la ciudad de La Paz](#), René Mendoza, UMSA, 2020.

¹⁰ The World Health Organization suggests that cities should have 10 m² of green space per inhabitant.

in the quality and quantity of public spaces and green areas. A Bank study¹¹ indicates that green spaces are essential for sustainable urban development. Parks, squares, and urban trees not only largely define a city's identity and attractiveness, but also contribute to its inhabitants' quality of life. Green spaces provide oxygen, capture pollutants, and regulate temperature, which helps lower and dampen noise levels and increase biodiversity. They also help to combat air pollution and encourage time spent outdoors and socializing. The few public spaces existing in La Paz and El Alto are not conducive to social meetings, which impacts social integration, the sense of belonging and identity, and enjoyment of the environment and facilities.¹² This problem is mainly associated with environmental degradation, exposure to natural hazards, and lack of care and maintenance of green areas. To address these needs, the municipio of La Paz approved Municipal Law 503,¹³ which sets out land-use planning actions targeting land occupancy, comprehensive human development, plural economy, environment and living systems, risk management and climate change, urban planning and the La Paz metropolitan area. The municipio of El Alto has approved Municipal Law 778,¹⁴ giving effect to the land-use plan for comprehensive development, which is structured around four strategic pillars: sustainable and ecoefficient El Alto; productive and competitive El Alto; social and inclusive El Alto; and happy, intercultural, and integrated El Alto. Some of the proposed actions are the comprehensive revitalization of Avenida 24 de Junio, the construction of the Oruro-Capachos divided highway, the universalization of basic services, and the implementation of the Parque Urbano Central Master Plan as measures to improve and develop land-use planning the city.

- 1.5 Most human settlements are self-built and informal (70% of dwellings in La Paz and 80% in El Alto)¹⁵ and lack essential basic services. The few existing green areas (in particular the Bosquecillo de Pura Pura municipal ecological park in La Paz) are constantly threatened by illegal squatting, which has sped up deforestation and reduced its surface area¹⁶ and ecosystem services,¹⁷ despite the existence of a [protection plan](#) (see Figure 2).

¹¹ [¿Las ciudades latinoamericanas poseen suficiente espacio verde público?, ¿Qué es suficiente, existe un mínimo?, IDB, 2012.](#)

¹² Altamirano, Noel A., Support for the Preparation and Implementation of the New Linear Park La Paz–El Alto (BO-T1349), Output 3. Biodiversity. Consulting services on urban biodiversity, ecosystem services, and nature-based solutions for the Urban Development and Housing Division of Bolivia, November 2021.

¹³ [Plan Territorial de Desarrollo Integral para Vivir Bien del Municipio de La Paz 2021-2025](#) (Land-use Plan for Comprehensive Development for Living Well in the Municipio of La Paz 2021-2025).

¹⁴ [Land-use Plan for Comprehensive Development for Living Well in the Municipio of La Paz 2021-2025.](#)

¹⁵ Urquieta, P. (2014) Los desafíos de las ciudades vulnerables. Construcción de ciudad y construcción del riesgo en La Paz y El Alto. *Bulletin de l'Institut français d'études andines*. 43 (3) | 2014.

¹⁶ More than 10,000 m² of the Bosquecillo de Pura Pura were damaged by illegal settlements in 2015, prompting enforcement actions by the [executive](#) and [legislative](#) municipal branches of government. Source: [El Día](#).

¹⁷ Ecosystem services are services that nature or ecological processes provide to living beings and the planet. For the Food and Agriculture Organization of the United Nations, they are the engine of the environment.

Figure 2. Expansion of the urban sprawl 2008–2021



Source: Prepared by the authors based on Google Earth satellite images.

- 1.6 Public spaces are vital to fostering interaction and collective connectedness, as well as urban resilience and risk mitigation in the face of climate change. Together with the population density within the park's area of influence, proximity to public spaces encourages their use.¹⁸ At the same time, access to large and attractive green spaces encourages walking. Lack of public green spaces, coupled with high levels of inequality, have been linked to higher levels of crime and lower quality of life for urban residents. In many circumstances, green spaces in the form of trees, parks, and other natural areas can have a mitigating effect on insecurity.¹⁹
- 1.7 The city center is a center of attraction where roughly 320,000 trips are made every day on almost 200 transportation lines with deficient service. It has a floating population of more than 150,000 inhabitants every day. This results in an inefficient mobility system and unsustainable connectivity, which impacts the quality of life of its inhabitants.²⁰ Coupled with the absence of adequate roads and inefficient transportation (especially for pedestrians, cyclists, and persons with disabilities), the mountainous topography restricts connectivity between neighborhoods, making it difficult to access public services, workplaces, and the few recreational areas. For example, including squares and parks, the La Paz urban area has 266 ha of public spaces, which is equivalent to only 2.95 m² of recreational area per inhabitant.²¹ Connections to surrounding areas are also limited, due in particular to the lack of paths conducive to walking or other modes of sustainable

¹⁸ Diana C. Parra, Luis F. Gomez, Nancy L. Fleischer, Jose David Pinzon (2010), *Built environment characteristics and perceived active park use among older adults: Results from a multilevel study in Bogotá*, Health & Place, Volume 16, Issue 6, p. 1174–1181.

¹⁹ Shepley M, Sachs N, Sadatsafavi H, Fournier C, Peditto K. *The Impact of Green Space on Violent Crime in Urban Environments: An Evidence Synthesis*. Int J Environ Res Public Health. 2019 Dec 14;16(24):5119. doi: 10.3390/ijerph16245119. PMID: 31847399; PMCID: PMC6950486.

²⁰ [El estado de la Movilidad Urbana Sostenible en Bolivia.](#)

²¹ Ibid.

mobility, beyond the improvement brought about by the cable car lines.²² These urban restrictions caused La Paz in particular to expand towards the hillsides, leading to the disappearance of native forests. The expansion of the urban sprawl led to the death of at least 10 forested areas covering more than 100,000 ha. Since the 1980s, when the exodus began as a result of the relocation of more than 25,000 state mining workers, La Paz has lost large tracts of urban forests, considered the lungs of the city. One example is the disappearance of the green patch seen on the slopes of the populated areas of Pampahasi, Mallasa, Achachicala, Pura Pura, the Tambillo mountain range, Bolonia, Irapavi Valley, Cotapata Park, Ovejuyo, etc.²³

- 1.8 The installation of bike paths is a basic measure to improve mobility, reduce greenhouse gas (GHG) emissions, and promote healthy lifestyles. International experiences have shown that installing bike paths leads to a higher number of bicycle trips, which translates into reduced GHG emissions due to the modal shift.²⁴
- 1.9 **Environmental degradation, exposure to natural hazards, and lack of care and maintenance of green areas.** The La Paz metropolitan area has not prioritized²⁵ the management of public and natural spaces; existing spaces are deteriorated, minimally maintained, and not universally accessible, which is due in part to the fact that the planning work undertaken is atomized, incomplete, and disjointed. In recent years, despite population growth and an expanding urban sprawl, green areas have remained the same. Added to this is the lack of environmental awareness among inhabitants, which means that a large part of the available green spaces is used as garbage dumps.²⁶
- 1.10 Particularly degraded is the biodiversity of the wet puna, where this operation would take place. Despite its long existence, the puna is currently affected by the expanding and unplanned urban sprawl, constant garbage dumping, the opening of illegal roads, waste water dumping, impervious surfaces, the burning of plants, and the introduction of exotic species.²⁷ In particular, the Bosquecillo de Pura Pura is home to large eucalyptus plantations that have not been cared for, resulting in falling branches and trees that obstruct roads after heavy wind, snow, or hail storms. Eucalyptus groves are considered a threat to dwellings due to their considerable size, diameter, and years of growth, which makes them prone to falling on houses, vehicles, or pedestrians in the area.²⁸ Changes in land cover

²² The metropolitan cable car integration network has been providing services to La Paz and El Alto since May 2014 through 10 interconnected lines covering 30.5 km and transporting approximately 250,000 passengers per day.

²³ [Bosques urbanos loteados para nuevas urbanizaciones.](#)

²⁴ Araneo, María Elena (2016) Impacto de las ciclovías en Argentina. Universidad Torcuato Di Tella.

²⁵ The [Autonomous Municipal Government of La Paz](#) built 63,835 m² of new green areas in 2018, 5,683 m² in 2019, and 9,218 m² in 2020 and performed maintenance for 990,604 m² of green areas in the urban area.

²⁶ Final consulting report for the preparation of the environmental baseline for the area of influence of the La Paz-El Alto metropolitan linear park.

²⁷ Altamirano, Noel A., Support for the Preparation and Implementation of the New Linear Park La Paz–El Alto (BO-T1349), Output 2. Climate risks. Consulting services on urban biodiversity, ecosystem services, and nature-based solutions for the Urban Development and Housing Division of Bolivia, November 2021.

²⁸ Ibid.

lead to erosion and decrease the soil's absorption capacity, thereby increasing the risk of runoff and flooding during climatic events.

- 1.11 Waste in the form of debris and pollutants are found in this area, leading to a gradual loss of biodiversity and soil degradation.²⁹ Two types of waste are found in particular: first, solid waste consisting of waste from materials used in the production, processing, or use of consumer goods; and second, domestic wastewater resulting from everyday household activities that is discharged into the environment, causing pollution in receiving water bodies. This wastewater contains solids, organic waste, detergent, soap, and grease, which all have varying negative effects on the environment, including water and air pollution, soil degradation, alteration of ecosystems, and modification of the physical appearance of recreational spaces.³⁰ Urban green areas are of paramount importance to human wellbeing, as they provide a number of ecosystem services such as oxygen generation and particle capture, thus reducing air pollutant levels; they regulate the climate, preventing heat islands; they dampen noise levels; and they act as water catchments, reducing flooding and soil erosion. In turn, natural green areas function as a corridor that provides shelter, protection, and food for wildlife, as well as protection for native flora.³¹
- 1.12 **Disaster risks and lack of climate change mitigation and adaptation.** For the department of La Paz,³² the United Nations Global Facility for Disaster Reduction and Recovery identifies a high susceptibility to landslides and wildfires, medium susceptibility to earthquakes, and low susceptibility to urban floods and extreme heat. In a context of climate change, the city of La Paz (where most of the program will be implemented) is expected to experience the following: (i) a drastic decrease in the per capita water resources of the watersheds supplying the urban area; (ii) an increase in landslide hazards, particularly on the western slopes; and (iii) an increase in vulnerability to heat waves, with significant impacts caused by extreme temperature events, exceptionally high in the northwestern part of the city. Faced with these challenges, La Paz has progressed in developing a climate change adaptation plan that prioritizes the creation of green areas to achieve a protected, safe, and resilient city³³ and secure an investment in risk prevention of more than US\$6.6 million per year.³⁴
- 1.13 In its [nationally determined contribution](#) updated for the 2021–2030 period, Bolivia committed to take actions aligned with a trajectory consistent with the global target of limiting the increase in global average temperature to 1.5°C and to increase the country's adaptive capacity, strengthen resilience, and reduce its vulnerability to the climate crisis. The actions in this operation—in particular the design and

²⁹ Noel Altamirano, Consulting services on urban biodiversity, ecosystem services, and nature-based solutions. 2021.

³⁰ Ibid.

³¹ Ibarra, Josué (10/04/2022) [¿Por qué proteger las áreas verdes urbanas?](#).

³² Risk identification for the department of La Paz, [Think Hazard platform, United Nations Global Facility for Disaster Reduction and Recovery, 2023](#).

³³ Instituto de Hidráulica Ambiental de la Universidad de Cantabria (IHCantabria), Álvarez Díaz, C., Rojo Gómez, J., Sampedro Carral, N., Cacho Taeño, E., García Alonso, E., Peres, J. A. (2021). [Índice de vulnerabilidad y adaptación al cambio climático en la ciudad de La Paz, Bolivia. Resumen ejecutivo](#).

³⁴ Executed investment in risk prevention, [Autonomous Municipal Government of La Paz, 2021](#).

construction of a biological corridor (linear park) stretching 18.2 km in the heart of the city of La Paz—help in implementing the country’s nationally determined contribution through the sustainable management of ecosystems and the strengthening of institutional capacities to effectively carry out climate actions at different territorial levels with the involvement of public, social, and economic actors.

- 1.14 **Gender.** In Bolivia, 7 out of 10 women report having experienced some form of violence. Violence in public spaces ranges from uncomfortable comments, insults, inappropriate touching, physical violence, rape, and even murder.³⁵ In the department of La Paz, 92.6% of women ages 15 and over have suffered some kind of violence in the social sphere during their lifetime:³⁶ 99.5% psychological violence; 48.6% physical violence; and 62.0% sexual violence (sexually harassing language).³⁷ The form and structure of public spaces have an impact on insecurity and further the disintegration of the urban social fabric.³⁸ Poverty in Bolivia fell from 38.2% in 2005 to 15.2% in 2018. The incidence of poverty in the municipio of La Paz is 33.8%. Men account for a 26% higher share in the job market than women. The shortage of skills necessary to meet job market demand and human capital needs include basic skills for work, both technological and digital.³⁹ The digital divide is greater for women; in 2021, 18.8% of men reported using their mobile phone to pay bills compared to 8.7% of women.⁴⁰ The municipio has an employment rate of 57% (63% men and 51.6% women) and an inactivity rate of 41% (35.2% men and 46.4% women)⁴¹ (paragraph 1.28).
- 1.15 **Indigenous population.** Indigenous persons have fewer opportunities for quality jobs and are 31.5% more likely to work in the informal economy than non-Indigenous persons. The wages of Indigenous persons are 31% lower than those of non-Indigenous persons. Overall, 85% of Indigenous women only secure a job in the informal economy, while 7% live on less than US\$1.90 a day (United Nations Office for the Coordination of Humanitarian Affairs, 2020). In all, 44% of Indigenous youth reside in urban areas relative to 80% of non-Indigenous youth, and 38.5% of Indigenous youth experience deprivation in multiple dimensions (education, health, employment, civic participation, and exclusion).⁴² According to the 2012 national census, 41% of the Bolivian population ages 15 and older is of Indigenous origin. Projections by the National Statistics Institute in 2017 indicate that it increased to 48%. In the municipio of La Paz, 28% of the population has a sense of belonging to the Aymara people⁴³ and maintains its traditional worldview. The

³⁵ Instituto Nacional de las Mujeres, *Desigualdades*, Boletín 4, April 2020.

³⁶ Encuesta de Prevalencia y característica de la Violencia contra las Mujeres, National Statistics Institute, 2016.

³⁷ Ibid.

³⁸ Los espacios públicos como oportunidad para construir seguridad ciudadana, Isabel Urrutia, *Revista Ideele* 243, 2014.

³⁹ The findings of the STEP survey (2012) reflect a skills deficit in the Bolivian workforce.

⁴⁰ World Bank Data Portal, accessed August 2023.

⁴¹ Autonomous Municipal Government of La Paz with the support of UN-Habitat, local voluntary report: La Paz, 2022.

⁴² FILAC, *Serie de derechos e interculturalidad 4 Telares de vida: Informe sobre las juventudes indígenas*, 2022.

⁴³ *Medición de la pobreza en el municipio de La Paz*, Autonomous Municipal Government of La Paz, 2013.

municipio has a monetary poverty level in urban and rural districts of 20.5% and 48.7%, respectively. In the urban area, in contrast to rural districts, physical accessibility (recreation, public spaces, and others) exceeds 65%. Overall, 8.3% of young people do not work or study.⁴⁴ Public spaces contribute to improving, revitalizing, and strengthening the social order, providing economic opportunities and general wellbeing.

- 1.16 **Persons with disabilities** In Bolivia, 3 out of every 100 people have some kind of disability. The municipio of La Paz accounts for 31.7%⁴⁵ of persons with disabilities, who experience different forms of isolation due to segregation. An inclusive approach is required in processes to plan for public spaces to cover needs, such as the lack of physical accessibility through urban, communication, and social infrastructure, related to the experience and connectedness among persons with disabilities in spaces designed for all.⁴⁶ The municipio of La Paz has 2.7% accessibility to public spaces⁴⁷ and a deficit of effective public spaces.⁴⁸
- 1.17 This operation will integrate gender and diversity issues when implementing: (i) a linear park program for La Paz and El Alto, “Safe Public Space Free of Violence against Women and Girls”; (ii) a program for the Indigenous population living in La Paz and El Alto benefiting from cultural and productive entrepreneurship initiatives, prioritizing women and youth in the Espacio Público del Parque Lineal (Linear Park Public Space) for La Paz and El Alto; and (iii) a linear park program for La Paz and El Alto with universal accessibility for persons with disabilities.
- 1.18 **Program strategy.** The city of La Paz has an old railway infrastructure stretching 18.2 km to the city of El Alto. Currently unused and in a state of disuse, the entire route of the railway line is not occupied. It has a maximum longitudinal gradient of 9% and is therefore suitable for pedestrian and bicycle traffic. This space represents a unique opportunity to create a new system of quality public spaces, i.e. a continuous natural corridor that provides better connectivity and integration between the two cities. Taking advantage of the unique geography of La Paz and El Alto, this system will help foster the integration of 30 neighborhoods, access to quality public spaces, active mobility (pedestrian and bicycle) on a metropolitan scale, and a new tourist attraction on an international scale.
- 1.19 By incorporating multiple uses and universal accessibility, this system of public spaces will help promote leisure activities, recreation, and the health of the people of La Paz and El Alto,⁴⁹ as well as social integration with greater urban equity,⁵⁰

⁴⁴ Autonomous Municipal Government of El Alto with the support of UN-Habitat, local voluntary report: La Paz, 2022.

⁴⁵ [National Statistics Institute: In Bolivia, 3 out of every 100 people have some kind of permanent difficulty.](#)

⁴⁶ Niñez y adolescencia con discapacidad en el municipio de La Paz, EDUCO, 2019.

⁴⁷ Autonomous Municipal Government of La Paz with the support of UN-Habitat, local voluntary report: La Paz, 2022.

⁴⁸ Ibid.

⁴⁹ Röbbel Nathalie, [Green Spaces: An Invaluable Resource for Delivering Sustainable Urban Health](#), United Nations.

⁵⁰ Grispan D., Pool J, Trivedi. A, Anderson J., [Green Space: An Underestimated Tool to Create More Equal Cities](#), World Resource Institute, 29 September 2020; Gerrish. E, Watkins S.L., [The Relationship between Urban Forest and Income](#), Landscape and Urban Planning 170, p. 293–308.

especially targeting women, children, older adults, and persons with disabilities. From the point of view of sustainable urban development, the project contains measures that will help curb the irregular spread of the urban sprawl (especially over the Bosquecillo de Pura Pura), develop a neglected area of the city, and expand green areas by planting native species, thus improving the ecological conservation of areas currently in a state of environmental degradation and increasing the soil's absorption capacity and the climate change resilience and adaptation capacity of the population living in the area. Afforestation interventions with native species will enhance resilience to disasters and climate change effects, contributing to improved soil cover and soil absorption capacity and reduced water runoff into residential areas and/or flooding. Turning this former stretch of railway into an innovative bioclimatic corridor will significantly boost the area's biodiversity while also improving the habitat for various species of native flora and fauna. Moreover, reintroducing native vegetation and creating green areas along this corridor will not only enrich local biodiversity, but also foster environmental education and ecological awareness among the inhabitants of both cities. In addition, the installation of security cameras, the presence of security points in the park, lighting fixtures, neighborhood watches, and the constant presence of people will act as deterrents to prevent the loss of more hectares of the Bosquecillo de Pura Pura and ensure its conservation.

- 1.20 **Proposed interventions.** Following the proposed strategy and based on the targeted area's size and diversity, the project will build a linear park stretching 18.2 km and organized into five sections—each differentiated following a programmatic criterion and a particular individual design based both on their shape and on the uses and activities specific to each section. The linear park will include urban facilities, such as outdoor sports and recreation areas, walking circuits, rest areas, viewpoints, LED lighting, security cameras, and retail and dining areas. This operation also includes the recovery of existing squares, parks, and public spaces adjacent to the urban corridor, which will improve the neighboring districts' urban quality of life.

Figure 3. Map of project location



Source: Prepared by the authors based on Google Earth satellite images.

- 1.21 **Bank experience in the sector.** The Bank has extensive experience in the urban development sector in the country and in the region. In the particular case of Bolivia, there is recent specific knowledge from the construction of the Parque de las Culturas y la Madre Tierra (Park of Cultures and Mother Earth) (US\$13.5 million) through the Cultural Heritage Tourism Management Program (BO-L1182), as well as the Neighborhood Improvement Multiphase Program (BO-L1038) and Program for the Urban Restructuring of La Ceja (BO-L1079), whose preparatory studies financed with nonreimbursable technical assistance funding have aided in designing this operation. At the regional level, similar projects have been implemented that highlight the fundamental role of green spaces in improving the health of the population, such as: PROCIDADES-ITAJAÍ-“Viva Cidade” Urban Development and Mobility Program ([BR-L1096](#)) under PROCIDADES – Municipal Line of Credit ([BR-L1043](#)). It has also contributed to the development of green corridors and their impact on climate change and mobility, the Macambira-Anicus Urban Environmental Program, where one of its components was the largest linear park in the world, stretching 24 km ([BR-L1006](#)); the Program for Integrated Urban Development of the Municipality of Campo Grande-Viva Campo Grande II ([BR-L1422](#)), which was turned into a linear park with a notable impact and benefit for the city’s inhabitants; the Program for the Development of Energy Efficiency in Street Lighting Systems in Bolivia (BO-L1230, currently in the approval process), which seeks to contribute to the decarbonization of the Bolivian electricity system by implementing energy efficiency measures in the street lighting systems, improve conditions for security and enjoyment of public spaces through the replacement of fixtures in the public lighting system; and the Program for the Expansion of the Mi Teleférico Network for Sustainable and Inclusive Electric Mobility for La Paz (BO-L1229), which aims to improve connectivity, urban mobility, and the use of sustainable transportation. The linear park in La Paz starts and ends at two Mi Teleférico stations, creating a circuit that can bring the whole city together.

- 1.22 **Lessons learned.** Implementing urban development projects in the region has provided valuable lessons that have proven to be fundamental in planning, procurement, and execution. (i) Planning: In Bolivia, with operation BO-L1182, programming the execution in phases has proven to be fundamental for more effective management of the various types of interventions in each sector; accordingly, the linear park has been designed in five distinct, albeit integrated phases. (ii) Procurement: ongoing training and support for the executing agency in relation to Bank policies and guidelines are essential to ensure effective procurement management; the program has therefore budgeted the necessary resources for training on fiduciary issues and on the Bank's policies. (iii) Execution: the need to provide support in the management of environmental and social safeguards, monitoring of works, continuous measurement of performance indicators, and community participation by properly dimensioning the executing agency.
- 1.23 **Country strategy in the sector.** In the Plan de Desarrollo Económico Social (Plan for Social Economic Development) 2021–2025,⁵¹ the Bolivian government has promoted national and international integration to strengthen production centers with road, air, rail, river, and urban transportation systems, defined in target 3.3. The target specifically seeks to build better infrastructure to improve walkability for the population and develop alternative urban transportation projects in harmony with Mother Earth (outcomes 3.3.1 and 3.3.5 of the Plan for Social Economic Development). In turn, through axis 8—Sustainable and Balanced Environment in Harmony with Mother Earth—it promotes living systems with a healthy, protected, and balanced environment (8.3) as well as climate change mitigation, adaptation, and monitoring actions, with effective response measures for its impacts in harmony and balance with Mother Earth (8.2). Lastly, this metropolitan linear park is a priority project of the current Bolivian authorities, framed within the celebration of the country's bicentennial.
- 1.24 **The Bank's country strategy** This program is aligned with the IDB Group Country Strategy with Bolivia 2022-2025 (document GN-3088) in the priority area (i) inclusive and sustainable social development; and in the action proposal (ii) improvements in the urban environment, quality public spaces, and inclusive mobility through tactical urban planning interventions, including heritage conservation, and natural parks. **Sustainable Development Goals (SDGs):** The program is aligned with: (i) SDG 5: Gender Equity; (ii) SDG 9: Industry, Innovation, and Infrastructure; (iii) SDG 11: Sustainable Cities and Communities; (iv) SDG 13: Climate Action; (v) SDG 15: Life on Land; and (vi) SDG 16: Peace, Justice, and Strong Institutions.

B. Objective, components, and cost

- 1.25 **Objective and scope.** The general objective of the project is to contribute to the comprehensive and sustainable urban development of the cities of La Paz and El Alto by creating a system of new quality public spaces. The specific objectives are to: (i) improve access to quality public spaces and sustainable connectivity between La Paz and El Alto; (ii) promote the conservation of strategically important natural environments, strengthening their resilience and contributing to

⁵¹ Law 1407, Plan for Social Economic Development 2021–2025, Official Bolivian State Gazette.

climate change mitigation in La Paz and El Alto; and (iii) build the executing agency's capacities to operate and manage the linear park with a gender and diversity approach.

- 1.26 **Component 1. Linear park for La Paz and El Alto (US\$21,800,000).** In order to improve access to quality public spaces and sustainable connectivity between La Paz and El Alto, this component will finance: (i) the construction and environmental and social technical supervision of a linear park in the cities of La Paz and El Alto stretching 18.2 km, implementing climate resilience criteria and nature-based solutions; (ii) urban facilities for sociocultural, recreational, and productive activities, with universal accessibility such as areas for outdoor sports and recreation, viewpoints and rest areas, walking circuits, bike paths and infrastructure for bicycle parking, drinking fountains, LED lighting, security cameras, and retail and dining areas;⁵² (iii) the recovery of existing squares, parks, and public spaces adjacent to the urban corridor, prioritizing native vegetation and nature-based solutions; and (iv) the design and implementation of a sustainable urban mobility system, such as public bicycles.
- 1.27 **Component 2. Biodiversity conservation, environmental protection, and urban sustainability (US\$6 million).** This component will finance: (i) a management plan and works to protect and enhance the Bosquecillo de Pura Pura; (ii) the design of a plan and implementation of a continuous corridor with native vegetation to support urban biodiversity; (iii) the construction of green infrastructure, such as landscape enhancement, plant nurseries and native vegetation, efficient maintenance and irrigation systems, tree planting, phytoremediation, biofiltration wetlands, artificial ponds from rainwater harvesting, and urban vegetable gardens; (iv) the construction of observation and education nodes on flora and fauna; and (v) the efficient management of solid waste in the intervention area.
- 1.28 **Component 3. Strengthening management capacities with a gender and diversity approach (US\$506,000).** This component will finance the capacity building of the executing agency for the operation and management of the linear park with a gender and diversity approach: (i) the preparation of a strategic plan to manage and operate the linear park with a focus on social engagement and integration and on biodiversity conservation, resilience, and climate action; (ii) training of executing agency personnel on topics including active mobility, climate change, and urban sustainability; (iii) training and awareness raising for beneficiaries on biodiversity conservation and climate action; (iv) gender and diversity activities;⁵³ and (v) design and execution of the program's communication plan.
- 1.29 **Administration, supervision, evaluation, and audit (US\$1,694,000).** The project will finance: (i) expenses related to the financing, equipping, and

⁵² Buildings to be constructed under Component 1 or 2 of this operation will be designed using energy, water, and embedded energy efficiency measures to secure EDGE or similar efficiency levels.

⁵³ The gender and diversity activities are: (i) a linear park program for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls"; (ii) a program for the Indigenous population living in La Paz and El Alto benefiting from cultural and productive entrepreneurship initiatives, prioritizing women and youth in the Espacio Público del Parque Lineal (Linear Park Public Space) for La Paz and El Alto; and (iii) a linear park program for La Paz and El Alto with universal accessibility for persons with disabilities.

management of the executing agency; (ii) consulting services by firms or individuals to conduct evaluations, audits, administration activities, and monitoring of the program; and (iii) the program's strategic and results evaluations.

- 1.30 **Key outcome indicators, benefits, and beneficiaries.** The expected outcomes will be measured by the following indicators: (i) households in the surrounding neighborhoods with access to quality public spaces within a 10-minute walk (600 meters); (ii) rate of weekly use of public spaces for recreation, sports, and mobility of residents in the park; (iii) change in the surface area of the Bosquecillo de Pura Pura ecosystems; (iv) beneficiaries of increased resilience to disasters and climate change effects through the operation's activities; (v) percentage of executing agency and execution unit personnel trained in park management and operation; (vi) strategic plans for park management and operation approved by Mi Teleférico's executive director; and (vii) number of government agencies strengthened to improve their management capacities (Corporate Results Framework indicator). The direct beneficiaries of the operation will be the 177,463 residents, and the indirect beneficiaries will be the inhabitants of La Paz and El Alto, who will have access to quality public spaces for their recreational and leisure activities, will have better connectivity between different neighborhoods, and will be able to receive the benefits of increased green areas, the protection of strategic ecosystems, and an improvement in urban resilience, thus helping strengthen social cohesion in the region and significantly raising the quality of life of its inhabitants.

C. Strategic alignment

- 1.31 This operation is consistent with the second Update to the Institutional Strategy (document AB-3190-2), through the social inclusion and equality development challenge, providing accessibility to green areas to 63 peripheral neighborhoods and integrating the populations of the cities of La Paz and El Alto. It is also aligned with the crosscutting themes of: (i) gender equality and diversity, by including actions to promote gender equality and universal accessibility via accessible and diverse mobility for persons with disabilities, women, older adults, children, and the Indigenous population through actions that foster the preservation of their cultural identity in the urban context; (ii) climate change and environmental sustainability, by promoting active, low-carbon mobility and adopting climate criteria and nature-based solutions, generating actions aimed at protecting, restoring, and managing the natural or modified ecosystems that exist along the corridor, with an estimated 83.97% of the operation's resources allocated to climate change activities, according to the [joint methodology of the multilateral development banks](#) for climate finance ([link 5](#)). According to the Green Finance Tracking Methodology at the IDB Group (document GN-3101), the operation also contributes to the environmental sustainability objective of "protection, sustainable use, and restoration of biodiversity and ecosystems;" accordingly, taken together, climate and green finance is equivalent to 86.76% of the operation; and (iii) institutional capacity and rule of law, by building the executing agency's capacity.
- 1.32 The program will contribute to the IDB Group's Corporate Results Framework 2020–2023 (document GN-2727-12) in the following indicators: (i) women beneficiaries of economic empowerment initiatives; (ii) emissions avoided (annual tons CO₂ equivalent); (iii) beneficiaries of enhanced disaster and climate change

resilience; and (iv) habitat that is sustainably managed using ecosystem-based approaches. It is also consistent with the Sustainable Infrastructure Strategy for Competitiveness and Inclusive Growth (document GN-2710-5); the Gender and Diversity Sector Framework Document (documents GN-2800-13 and GN-3083-2); and the Climate Change Sector Framework Document (document GN-2835-13), by increasing the forest area, conserving the Bosquecillo de Pura Pura, active mobility, and carbon capture. In addition, it is aligned in Category 2 to the Employment Action Framework with Gender Perspective (document GN-3057) as it provides for analysis, interventions, and indicators related to the businesses and entrepreneurship pillar by supporting dining and cultural ventures. Lastly, this operation is aligned with the Housing and Urban Development Sector Framework Document (document GN-2732-11) in the promotion of cities that: (i) overcome structural social exclusion; (ii) reduce pollution and increase climate change mitigation and resilience; and (iii) improve their governance.

- 1.33 **Paris alignment.** This operation has been analyzed using the Joint Multilateral Development Bank Assessment Framework for Paris Alignment and the IDB Group Paris Alignment Implementation Approach (document GN-3142-1). The operation has been found to be: (i) aligned with the adaptation target of the Paris Agreement; and (ii) universally aligned with the mitigation target of the Paris Agreement.

D. Viability analysis

- 1.34 **Technical viability.** The final design studies for the linear park financed using Bank resources were reviewed during program preparation. The operation's technical viability is ensured through the final design study of the linear park for La Paz and El Alto, financed using funds from operation [BO-T1349](#). The following studies were also performed: Environmental baseline for the metropolitan linear park; preliminary draft architectural and landscape design of the metropolitan linear park; detailed design and engineering of the metropolitan linear park; and consulting report on urban biodiversity, ecosystem services, and nature-based solutions.
- 1.35 **Socioeconomic viability.** Every year, the economic viability analysis ([link 4](#)) lists and measures the project costs and estimated benefits in "with project" and "without project" scenarios, considering a 20-year life cycle. This analysis results from the difference between the socioeconomic benefits and costs generated in a public investment project over time, considering a 12% social discount rate. The main benefits monetized for the operation are as follows: absorption or savings of GHG emissions; the higher valuation of housing in the project's area of influence; revenue from access to the linear park; and rental income from deposits and bicycles, etc. The costs are as follows: tradable goods; costs of local materials; skilled, semiskilled, and unskilled urban and rural labor; and investment costs. The results of the cost-benefit analysis and sensitivity analysis for this operation are as follows:

Table 1. Cost-benefit of the program

Program	Investment required US\$ millions	Net present value (US\$)	Internal rate of return	Sensitivity +208% investment cost
Urban Integration Program: Linear Park for La Paz and El Alto	27.0	23,014,011.8	72.06%	Net present social value: 51,851.90 Internal rate of return: 12.31%

- 1.36 **Sustainability:** State budget allocations secure the investments to be made under the program. A specific organizational structure will be outlined to manage, operate, start, carry out preventive and corrective maintenance for, and ensure the continuity of the works and equipment beyond the program’s execution horizon. This demonstrates the counterparts’ strong commitment to preserve and maximize the investments made, ensuring that the program benefits are sustained over time and remain accessible for local communities.
- 1.37 **Socioenvironmental viability.** Under the Bank’s Environmental and Social Policy Framework (ESPF) and based on existing program information and due diligence, the program has been classified as a Category “B” operation, since the negative environmental and social impacts are expected to be moderate, local, and short-term in nature and managed through specific management plans. In order to meet the requirements set out in the ESPF and the 10 Environmental and Social Performance Standards, the borrower submitted a project-specific environmental and social management system, as well as an environmental and social assessment and environmental and social management plan. Taking into account the type of interventions, the negative environmental and social impacts—for which appropriate mitigation measures for the sector exist—are moderate during the execution period for the works. The program’s social and environmental risk classification is substantial, mainly considering that the works will be carried out on public roads and that the project will be undertaken within the Bosquecillo de Pura Pura, a national protected area that is dealing with informal and irregular urban development. Accordingly, conflicts could arise with irregular plot owners or squatters in the area where the program will be executed if the municipal authorities fail to carry out adequate preventive control before the works begin. The risk of natural disasters has been classified as moderate (since the threat of landslides and wildfire is classified as high); the threat of flooding, drought, and heat waves as moderate; the threat of earthquakes as low; the criteria of physical characteristics and negative impact on essential services are low; and the interaction with the anthropic and natural environment is moderate because there are some sections with steep slopes. The public consultation process was carried out in person according to the stakeholder participation plan on 22 September 2023. The main concerns were related to the timeline of the works and the information plans for temporary public and private transportation diversion. The consultation report and final environmental and social documents were published pursuant to the ESPF. The general population lent its approval to the project in the approved minutes.

- 1.38 **Institutional and financial viability.** The Institutional Capacity Assessment Platform (ICAP) was used to assess the executing agency’s institutional capacity, and it was confirmed that the executing agency has the institutional capacity to execute the program to a satisfactory degree. However, a need was identified to strengthen the execution unit with technical staff, including specialists in environmental and social management and experts in infrastructure and urban planning. Strengthening the executing agency will ensure a more effective implementation of the operation’s activities, as well as the supervision and monitoring of outcome indicators and benefits.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Modality and financing structure.** This operation has been structured as a specific project loan, as it will finance specific projects defined in full when the loan is approved.
- 2.2 **Cost and financing.** The project’s total cost is US\$30,000,000, which will be financed by the Bank using Ordinary Capital resources. The project will have a five-year disbursement period, consistent with the multiyear execution plan and the annual work plan.

Table 2. Estimated program costs (US\$)

Components	IDB	%
Component 1. Linear park for La Paz and El Alto	21,800,000	72.67
(a) Construction of a green bike path	7,041,993	
(b) Construction of blue bike path	1,443,294	
(c) Construction of purple bike path	3,909,589	
(d) Construction of red bike path	3,707,641	
(e) Construction of orange bike path and urban commercial passageway	4,888,542	
(f) Construction of rest areas in the metropolitan linear park	493,000	
(g) Construction of viewpoints in the metropolitan linear park	150,000	
(h) Construction and equipping of health posts in metropolitan linear park	122,838	
(i) Construction of sports and recreation areas and equipment for metropolitan linear park	43,103	
Component 2. Biodiversity conservation, environmental protection, and urban sustainability	6,000,000	20.00
(a) Natural resource management and use plans prepared for the Bosquecillo de Pura Pura and the areas complementary to the metropolitan linear park	50,000	
(b) Green areas built in the Bosquecillo de Pura Pura and areas complementary to the metropolitan linear park	1,000,000	
(c) Mixed-use buildings complementary to the metropolitan linear park built	3,373,016	

Table 2. Estimated program costs (US\$)

Components	IDB	%
(d) Packages of works built and procured	1,576,984	
Component 3. Strengthening management capacities with a gender and diversity approach	506,000	1.69
(a) Strategic plans for park management and operation designed with a focus on biodiversity conservation, resilience, and climate action	200,000	
(b) Observation and education nodes on flora and fauna in operation	36,000	
(c) Training sessions for execution unit personnel implemented, including on climate change and urban sustainability	50,000	
(d) Exchange of international experiences to improve the understanding of urban green and climate change projects carried out	70,000	
(e) Communication campaigns on conservation and climate action for project beneficiaries for activities that allow them to use and enjoy the park	90,000	
(f) Technical training and empowerment programs for women implemented	35,000	
(g) Number of government agencies strengthened to improve their management capacity	25,000	
Administration, supervision, evaluation, and audit	1,694,000	5.65
(a) Project administration	473,510	
(b) Financial audits	102,042	
(c) Final evaluation	1,118,448	
Total	30,000,000	100

Note: The costs per activity within each component are indicative.

2.3 **Disbursement schedule.** Pursuant to document AB-2990, the disbursement of loan proceeds will be subject to the following maximum limits: (i) up to 15% for the first 12 months; (ii) up to 30% for the first 24 months; and (iii) up to 50% for the first 36 months. All such periods will commence as of the date of loan approval by the Board of Executive Directors. These limits may cease to apply when the requirements set out in the Bank's policy on such limits have been met, provided that the borrower has received written notice to this effect.

Table 3. Disbursement schedule (US\$ millions)

Components	Year 1	Year 2	Year 3	Year 4	Year 5	% Total
IDB	4.5	4.5	6.0	12.0	3.0	30.0
Total	4.5	4.5	6.0	12.0	3.0	30.0
Percentage	15%	15%	20%	40%	10%	100%

B. Environmental and social risks

2.4 Under the ESPF and based on existing information, this operation has been classified as a Category “B” operation, since the negative environmental and social impacts are expected to be moderate and short-term in nature and managed through specific management plans. Taking into account the type of interventions, the negative environmental and social impacts—for which appropriate mitigation measures exist—are moderate during the execution period for the works. However, its social and environmental risk classification is substantial, considering the potential risks of the works to be carried out on public roads and the presence of the Bosquecillo de Pura Pura, classified as natural landscape heritage, a natural monument of the city of La Paz. The risk of natural disasters has been classified as moderate, considering that the natural landslide hazard and the infrastructure to be built have a moderate vulnerability. The public consultation process was carried out according to the stakeholder participation plan on 22 September 2023 using a face-to-face format; the project has the acceptance of the interest groups. The main concerns were related to the timeline of the works and the information plans on the temporary deviation of public and private transportation.⁵⁴ The consultation report, as well as the final environmental and social documents have been published on the [Bank’s website](#).

C. Fiduciary risks

2.5 The Bank assessed the Unidad Técnica Aeroportuaria (Airport Technical Unit) (UTA) using the ICAP in August 2023 and concluded that the UTA has sufficient capacity to implement the program owing to its prior experience in executing Bank-financed projects, such as the Urban Restructuring of La Ceja program ([BO-L1079](#)), and its current experience in managing the Air Infrastructure Program – Stage II loan ([BO-L1209](#)), currently under execution at the UTA, where operation BO-L1212 will be executed. The fiduciary risk is medium, due to: (i) the lack of knowledgeable, full-time personnel to handle the new operation’s workload; (ii) the lack of formal project management procedures and processes; and (iii) potential delays in procurement due to the limited number of companies at the national level for this type of urban civil works, which will be mitigated by an adequate communication and support process during the procurement process.

2.6 To this end, on the basis of the ICAP assessment, it is recommended to: (i) strengthen the fiduciary area with two full-time professionals (finance and procurement) to take on the operation’s additional workload; (ii) describe in the program Operating Regulations the specific technical and operational arrangements and coordinating bodies for the program’s procurement, financial management, budgeting, internal control, and audit; and (iii) strengthen the teams responsible for financial management and procurement (documents GN-2349-15 and GN-2350-15) as program execution progresses. In addition, specific operational flows will be developed to ensure that program-related activities are clearly differentiated from the unit’s regular activities, as well as from the administration of other Bank operations with the same executing agency.

⁵⁴ During performance of the works, the stakeholder participation plan will be implemented in order to inform and coordinate with the respective interest groups with respect to the issues related to the vehicular traffic deviation.

D. Other risks and key issues

- 2.7 The risks foreseen both in preparation and execution are as follows: (i) delays in execution and variations in contract amounts, which will be mitigated by closely monitoring program execution and oversight; and (ii) delays in legislative approval, which will be mitigated by regular dialogue with the related sector authorities.
- 2.8 **Political backdrop.** The change in national authorities expected in 2025 represents a significant risk in terms of the possibility of personnel turnover at both the executive and technical levels, which could result in delays in both the physical and financial execution of the program. The mitigation measures proposed are as follows: (i) step up training activities in key areas such as procurement, finance, and management for the technical team; and (ii) establish defined profiles for the program's core coordination team.

III. IMPLEMENTATION ARRANGEMENTS AND ARRANGEMENTS FOR MONITORING AND EVALUATION OF RESULTS

A. Implementation arrangements.

- 3.1 **Borrower and executing agency.** The borrower will be the Plurinational State of Bolivia. The executing agency will be the Ministry of Public Works, Services, and Housing, which holds the property rights to the project sites, through the Airport Technical Unit (UTA) an agency under the Office of the Deputy Minister of Transportation, which has prior experience in executing Bank loans.
- 3.2 The UTA, which is a unit created to execute IDB operations, will be responsible for the project's technical, administrative, and operational management, including, among other tasks: (i) timely submission of evidence of compliance with the conditions precedent to the first disbursement and the formalities necessary to comply with the special conditions for execution; (ii) procurement of works, goods, and services; (iii) processing of loan disbursements and accountability vis-à-vis the Bank; (iv) management of the external audit; (v) submission to the Bank of operational plans, including the financial plan, procurement plan, and annual work plan; (vi) submission, inter alia, of progress reports, audits, and evaluations; (vii) support for supervision and procurement for the oversight of works and services contracts; and (viii) coordination as the Bank's operational counterpart.
- 3.3 **Program Operating Regulations.** Execution of the program will follow the program Operating Regulations, which will define operational considerations on technical, environmental, fiduciary, financial, and other matters. At a minimum, the program Operating Regulations will include the following: (i) coordination and reporting mechanisms between the parties, including the Ministry of Public Works, Services, and Housing and the Bank; (ii) procedures for the procurement of works, goods, and consulting services; (iii) guidelines for the use of resources and financial management of the program; (iv) disbursement procedures; (v) the structure of the execution unit, identifying key personnel's functions and time commitment; and (vi) best practices in fostering transparency and integrity risk management.

- 3.4 **Special contractual conditions precedent to the first disbursement of the loan are that the executing agency has, to the Bank's satisfaction, submitted evidence of: (i) the approval and entry into force of the program Operating Regulations, under the terms and conditions previously agreed upon with the Bank; and (ii) the formation of the execution unit team, and the appointment or hiring of, at a minimum, one technical coordinator, one procurement specialist, one financial specialist, one environmental specialist, one social specialist, and one planning and monitoring specialist on a full-time equivalent basis.** The first condition is justified because the Bank's experience in the region indicates that approving the program Operating Regulations prior to the first disbursement contributes to improving the executing agency's performance, setting the execution procedures and the assignment of responsibilities for the implementation and monitoring of the operation in a manner tailored to the needs of each operation. The second condition is justified in order to ensure that the project is managed by a technical team with the skills necessary for proper project execution and coordination.
- 3.5 **Fiduciary agreements and requirements.** The principles and criteria contained in the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) will be considered.
- 3.6 **Procurement of works, goods, nonconsulting services, and consulting services.** Procurement will be performed in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), and the procurement plan. Through the UTA, the Office of the Deputy Minister of Transportation will handle the procurement for the projects under its responsibility in direct coordination with the Bank in relation to the necessary no objection procedures and reviews. In the interest of efficiency, framework agreements may be entered into for the recurrent selection of consulting services (paragraphs 4.5 and 4.6 of document GN-2350-15).
- 3.7 The procurement processes will follow the specifications of the procurement plan, which will define the procurement strategy, including the appropriate methods, the modality for supervising and monitoring program procurement, and the cases in which the country procurement systems will be used.
- 3.8 **Disbursements.** Disbursements will be made through the advance of funds modality, based on a financial plan to cover liquidity needs for up to 180 days. Except for the first disbursement, subsequent disbursements will be processed when at least 80% of the cumulative balances have been justified. The Bank's disbursements will be received in the Treasury Single Account. Documents will be reviewed on an ex post basis. Disbursements will be subject to the applicable limitations described in paragraph 2.3.
- 3.9 **Audits.** An independent firm eligible to audit Bank-financed operations, selected and contracted in accordance with the procedures, terms of reference, and model contract previously agreed upon with the IDB, will conduct the external audit of the project. During execution, the executing agency will submit audited financial reports to the Bank within 120 days after the closing date of each fiscal year of the

program. The last audited financial statement will be submitted 120 days after the end of the original disbursement period or any extensions thereto. The financing will be used to contract the independent audit firm.

B. Arrangements for monitoring and evaluation of results

- 3.10 **Monitoring.** The executing agency will monitor and control all project management processes, including: (i) semiannual monitoring reports detailing the fulfillment of objectives for the output and outcome indicators described in the Results Matrix, physical and financial progress of the outputs, progress of the annual work plan, the status of procurement processes under the procurement plan, compliance with environmental and social safeguards, risk assessment, and the updating of planning and monitoring tools; (ii) the issuance of the program's financial statements; and (iii) the preparation of the project completion report as detailed in the monitoring and evaluation plan.
- 3.11 **Evaluation.** A midterm evaluation will cover the program's technical, administrative, and financial matters. This evaluation will be conducted once 50% of the loan has been disbursed or three years have elapsed since the entry into force of the loan contract, whichever occurs first. The project completion report will be submitted no later than 180 days after the last disbursement and based on the semiannual execution reports, the Results Matrix, progress monitoring reports, the minutes of management missions, audited financial statements, and the midterm and final evaluations carried out by the executing agency in accordance with the terms of reference agreed upon with the Bank. It will also include a qualitative evaluation that systematizes good practices and the main lessons learned.
- 3.12 A final evaluation will be included in the project completion report and will be a key input to this report to be submitted to the Bank within 60 days after the end of the disbursement period. This final evaluation will include an ex post economic evaluation using the same methodology as the ex ante evaluation. To evaluate the outcomes associated with the program's specific objectives, an ex post study will be conducted using nonexperimental methodologies (before and after). The information will be collected through the means of verification set out in the Results Matrix. Impact 1 indicators will be measured through studies conducted in the framework of the ex post economic evaluation and will be measured using the before and after methodology. In addition to these evaluations, complementary evaluations will be carried out, including a process and qualitative evaluation and an evaluation of the public life of the linear park. The arrangements and methodologies to design and implement these evaluations will be financed using program resources and be approved by the Bank.

Development Effectiveness Matrix		
Summary		BO-L1212
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	<ul style="list-style-type: none"> -Social Inclusion and Equality -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law 	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	<ul style="list-style-type: none"> -Roads built or upgraded (km) -Emissions avoided (annual tons CO2 equivalent) -Beneficiaries of enhanced disaster and climate change resilience (#) -Habitat that is sustainably managed applying ecosystem-based approaches (ha) -Agencies with strengthened digital technology and managerial capacity (#) 	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3088	Contribute to promoting the universalization of quality basic and social services.
Country Program Results Matrix	GN-3154-3	The intervention is included in the 2023 Operational Program.
Relevance of this project to country development challenges (if not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		8.3
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.2
3.3 Results Matrix Quality		2.6
4. Ex ante Economic Analysis		7.5
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		0.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium High
Environmental & social risk classification		B
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	BO-T1349

The general objective of the project is to contribute to the comprehensive and sustainable urban development of the cities of La Paz and El Alto through the creation of a system of new quality public spaces. The specific objectives are: (i) improve access to quality public spaces and sustainable connectivity between La Paz and El Alto; (ii) promote the conservation of natural environments of strategic importance, strengthening their resilience and contributing to the mitigation of climate change in La Paz and El Alto; and (iii) strengthen the capacities of the Executing Agency for the operation and management of the linear park with a gender and diversity focus.

The project has a diagnosis for specific objectives 1 and 2. The indicators associated with the general objective and the specific objectives included in the results matrix have means of verification. The result indicators related to specific objective 1 do not yet have established goals; the Monitoring and Evaluation Plan indicates that these will be established between November 2023 and the first year of program execution.

The economic analysis of the project was carried out through a cost-benefit analysis. The estimated benefits include: i) valuation of the environmental service of the reforestation of new areas, ii) real estate valuation of properties in the area of influence of the linear park, and iii) income from recreational and commercial markets. The net present value is US\$23 million and the IRR is 72.06%. The sensitivity analysis indicates that if the main benefit (real estate valuation) only reached 48% of the estimated value, the project would still be economically viable.

The project includes a monitoring and evaluation plan in accordance with the Bank's standards. The effectiveness of the proposed intervention will be measured through an evaluation that uses the before and after methodology, additionally the ex post efficiency of the project will be evaluated using a cost-benefit analysis.

RESULTS MATRIX

Project objective	The general objective of the project is to contribute to the comprehensive and sustainable urban development of the cities of La Paz and El Alto by creating a system of new quality public spaces. The specific objectives are to: (i) improve access to quality public spaces and sustainable connectivity between La Paz and El Alto; (ii) promote the conservation of strategically important natural environments, strengthening their resilience and contributing to climate change mitigation in La Paz and El Alto; and (iii) build the executing agency's capacities to operate and manage the linear park with a gender and diversity approach.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline year	Baseline value	Expected year achieved	Target	Means of verification	Comments
General objective: Contribute to the comprehensive and sustainable urban development of the cities of La Paz and El Alto by creating a system of new quality public spaces.							
1. Variation in the average value per square meter of properties adjacent to the park	% variation	0	2023	2028	7%	Ex ante and ex post economic analysis report of the program. Entity responsible: IDB	Calculation formula: $[(V2 - V1) / V1] \times 100$. V2 and V1 will be measured in US dollars per square meter.
2. CO ₂ emissions captured associated with the planting of native species	Tons CO ₂ /Ha	0	2023	2028	6,153 tons CO ₂ /Ha	Ex ante and ex post economic evaluation	Calculation formula: Sum of ton CO ₂ /Ha emissions captured associated with the planting of native species. See monitoring and evaluation plan.

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline year	Baseline value	Target year	Target value	Means of verification	Comments
Specific objective 1: Improve access to quality public spaces and sustainable connectivity in La Paz and El Alto							
Indicator 1.1. Households in the surrounding neighborhoods with access to quality public spaces within a 10-minute walk (600 m)	Households	2023	0	2028	The target will be defined in November.	Geographic analysis of beneficiaries in the area of influence based on census data	Calculation formula: Sum of households in the surrounding neighborhoods with access to quality public spaces within a 10-minute walk (600 m) The geographic analysis should consider a buffer of 600 m from the corridor intervention axis (600 m in total) over the layer of blocks (cadastre) of the cities of La Paz and El Alto. The beneficiary population within the project's buffer of influence will be quantified. The target value will consider the projected or quantified population for the end of the project. Further details in the monitoring and evaluation plan.
Indicator 1.2. Rate of weekly use of public spaces for recreation, sports, and mobility of residents in the park area	Contents	2024	100	2028	The target will be determined on the basis of the baseline study to be conducted in the first half of the year 1 of the operation.	Ex ante and ex post usage survey	The survey will be applied to a representative sample of residents in the neighborhoods adjacent to the linear park (600 m) before and after the intervention Calculation formula: $Vt1 - Vt0$.
Specific objective 2: Improve the conservation of strategic ecosystems and climate change resilience and mitigation in La Paz and El Alto							
Indicator 2.1. Percentage of preserved area of Bosquecillo de Pura Pura vegetation	Percentage	2023	100	2028	100	Ex ante and ex post geospatial survey using satellite imagery	The area of the Bosquecillo de Pura Pura is under constant threat from informal occupancy. The intervention is expected prevent the loss of more hectares to informal occupancy, thus achieving 100% conservation of the area.
Indicator 2.2. Beneficiaries of increased resilience to disasters and climate change effects through the operation's activities (Corporate Results Framework indicator)	Number of people	2023	0	2028	177,463	Geographic analysis of beneficiaries in the area of influence based on census data	Calculation formula: Sum of beneficiaries of increased resilience to disasters and climate change effects through the operation's activities.

Indicators	Unit of measure	Baseline year	Baseline value	Target year	Target value	Means of verification	Comments
Specific objective 3: Build the executing agency's management capacities to operate and manage the park with a gender and diversity approach							
Indicator 3.1. Technical personnel of the executing agency and the execution unit trained in the management and operation of the park with a gender and diversity approach	% of personnel	2023	0	2028	80%	Exam at end of training	Calculation formula: The denominator is the total number of technical personnel who participated in the training. The numerator is the total number of technical personnel who passed the training exam. Each training course will have a final exam that can be passed with 60%. At least 30 people are expected to be trained, including include the 12 employees of the execution unit and additional personnel of the executing agency who will be directly or indirectly involved in managing the park. The training courses will be on sustainability, gender and diversity, sustainable mobility, biodiversity conservation, climate change, resilience, risk management, and/or community participation.
Indicator 3.2. Strategic plans for park management and operation with a gender and diversity approach approved by the executive director of Mi Teleférico	Number of plans	2023	0	2028	1	Administrative certificate of approval	Mi Teleférico is expected to approve the plan, which will guarantee the sustainability of the intervention. Calculation formula: Sum of strategic plans for park management and operation approved by the executive director of Mi Teleférico.
Indicator 3.3. Number of government agencies strengthened to improve their management capacity (Corporate Results Framework indicator)	Government agencies	2023	0	2028	2	Institution-strengthening report	Calculation formula: Sum of government agencies strengthened to improve their management capacity.

OUTPUT MATRIX

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Component 1. Linear park for La Paz and El Alto											
Indicator 1.1. Kilometers of linear park following universal accessibility design principles and promoting modes of sustainable mobility built on section 1	Kilometers	2023	0	0	5.6	0	0	0	5.6	Final supervision report	This will include adaptations for universal accessibility and works that will promote the use of bicycles and walking as modes of sustainable mobility. Calculation formula: Sum of kilometers of linear park following universal accessibility design principles and promoting modes of sustainable mobility.
Indicator 1.2. Kilometers of linear park following universal accessibility design principles and promoting sustainable mobility on section 2	Kilometers	2023	0	0	0	3	0	0	3	Final supervision report	This will include adaptations for universal accessibility and works that will promote the use of bicycles and walking as modes of sustainable mobility. Calculation formula: Sum of kilometers of linear park following universal accessibility design principles and promoting sustainable mobility.
Indicator 1.3. Kilometers of linear park following universal accessibility design principles and promoting sustainable mobility built on section 3	Kilometers	2023	0	0	0	4.7	0	0	4.7	Final supervision report	This section will include universal accessibility design criteria and promote nonmotorized transportation. Bike riding and walking will be promoted as modes of sustainable mobility. Calculation formula: Sum of kilometers of linear park following universal accessibility design principles and promoting nonmotorized transportation.

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 1.4. Kilometers of linear park following universal accessibility design principles and promoting sustainable mobility built on section 4	Kilometers	2023	0	0	0	1.7	0	0	1.7	Final supervision report	This will include adaptations for universal accessibility and works that will promote the use of bicycles and walking as modes of sustainable mobility. Calculation formula: Sum of kilometers of linear park following universal accessibility design principles and promoting sustainable mobility.
Indicator 1.5. Kilometers of linear park following universal accessibility design principles and promoting sustainable mobility built on section 5	Kilometers	2023	0	0	3.1	0	0	0	3.2	Final supervision report	This will include adaptations for universal accessibility and works that will promote the use of bicycles and walking as modes of sustainable mobility. Calculation formula: Sum of kilometers of linear park following universal accessibility design principles and promoting sustainable mobility.
Indicator 1.6. Rest areas installed	Number of rest areas	2023	0	6	0	25	0	0	31	Final supervision report	Rest areas are areas designed for users' rest and recreation. They include urban furniture such as benches, tables with chairs, shaded areas, and toilets. Calculation formula: Total number of rest areas installed Section 1: 2 Section 2: 5 Section 3: 14 Section 4: 6 Section 5: 4 Total rest areas: 31
Indicator 1.7. Viewpoints built	Number of viewpoints	2023	0	0	3	4	0	0	7	Final supervision report	Calculation formula: Total number of viewpoints built Section 1: 3 Section 2: 3 Section 3: 0 Section 4: 1 Section 5: 0 Total viewpoints: 7

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 1.8. Health posts built	Number of health posts	2023	0	2	0	0	0	0	2	Final supervision report	Health posts are first-aid posts. Calculation formula: Sum of health posts built.
Indicator 1.9. Sports and recreation areas built and equipped	Number of areas	2023	0	0	0	0	0	3	3	Supervision report	The sports and recreation areas include furniture for physical activity in the park, playground equipment for children adapted for persons with different abilities, multifunctional sports fields, and health and security posts. Calculation formula: Sum of sports and recreation areas built and equipped.
Component 2. Biodiversity conservation, environmental protection, and urban sustainability											
Indicator 2.1. Natural resources management and use plans prepared for the Bosquecillo de Pura Pura and the areas complementary to the metropolitan linear park	Plans	2023	0	0	0	0	0	2	2	Final consulting reports received	Calculation formula: Sum of natural resources management and use plans prepared for the Bosquecillo de Pura Pura and the areas complementary to the metropolitan linear park.
Indicator 2.2. Green areas in the Bosquecillo de Pura Pura and areas complementary to the metropolitan linear park improved with native species	Hectares	2023	0	0	0	0	35	35	70	Final supervision report	The complementary areas are degraded green areas that will be improved by planting native species and will be included in the park circuit. Calculation formula: Sum of hectares of green areas improved in the Bosquecillo de Pura Pura and areas complementary to the metropolitan linear park.
Indicator 2.3. Mixed-use buildings complementary to the metropolitan linear park built	Number of buildings	2023	0	0	0	0	1	2	3	Final supervision report	Calculation formula: Sum of mixed-use buildings complementary to the metropolitan linear park built (TO BE CONFIRMED).

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.4. Complementary works built for biodiversity and environmental conservation and protection	Number of works	2023	0	0	0	1	2	2	5	Final supervision report	Complementary works built for biodiversity and environmental conservation and protection include at least: Gabions, culverts, biofiltration wetlands, control booths, and other minor works. Calculation formula: sum of works built for biodiversity and environmental conservation and protection.
Component 3. Strengthening management capacities with a gender and diversity approach											
Indicator 3.1. Strategic plans for park management and operation designed with a focus on gender and diversity and biodiversity conservation, resilience, and climate action	Plans	2023	0	0	0	0	0	1	1	Final supervision report	Calculation formula: Sum of strategic plans designed for park management and operation.
Indicator 3.2. Observation and education nodes on flora and fauna in operation	Nodes	2023	0	0	0	0	0	1	1	Final supervision report	Calculation formula: Sum of observation and education nodes on flora and fauna in operation.
Indicator 3.3. Training sessions for execution unit personnel implemented, including on gender and diversity issues, climate change, and urban sustainability	Training sessions	2023	0	0	2	1	2	2	7	Training report and contents	Calculation formula: Number of training courses for execution unit personnel delivered.
Indicator 3.4. Exchanges of international experiences to improve the understanding of urban green and climate change projects carried out	Exchanges	2023	0	0	0	1	0	1	2	Report on the results of exchanges of experience	Calculation formula: Sum of exchanges of international experiences to improve the understanding of urban green projects carried out.
Indicator 3.5. Communication campaigns on conservation and climate action for project beneficiaries for activities that allow them to use and enjoy the park	Campaigns	2023	0	0	1	1	1	1	4	Communications campaigns report	Calculation formula: Sum of communication campaigns on conservation and climate action for project beneficiaries for activities that allow them to use and enjoy the park.

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 3.6. Linear park programs implemented for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls"	Programs	2023	0	0	0	20	20	1	41	Final program implementation report	<p>(a) Program design: -Study: diagnostic assessment of insecurity in public spaces and proposal for action that includes a communication strategy with a gender and diversity approach. -Training plan and production of teaching materials for the linear park program for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls." (b) Implementation: -Training plan for linear park program for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls," with: At least 10 social organizations (neighborhood councils) in the sector (with gender parity). At least 3 institutions involved (with gender parity). -Communication strategy for linear park program for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls." Calculation formula: sum of linear park programs implemented for La Paz and El Alto, "Safe Public Space Free of Violence against Women and Girls."</p>

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 3.7. Ventures run by Indigenous persons living in La Paz and El Alto benefiting from cultural and productive entrepreneurship initiatives, prioritizing women and youth in the Linear Park Public Space for La Paz and El Alto	Number of ventures	2023	0	0	0	0	0	10	21	31	<p>Study of the document on the management model for operation of the ventures and coworking space and implementation of the training plan:</p> <p>(a) 10 dining-related ventures, "Cultural Value of Local Flavors" (permanent stalls) for Indigenous persons living in La Paz and El Alto, prioritizing women and young people.</p> <p>(b) 20 cultural-related ventures with local products and arts (rotating stalls), for Indigenous persons with an emphasis on women and youth living in La Paz and El Alto.</p> <p>(c) 1 coworking space in the linear park for digital inclusion, aimed at improving their productive activities, with an emphasis on Indigenous persons (urban Indigenous population), prioritizing women and young people living in La Paz and El Alto.</p> <p>Calculation formula: Sum of ventures run by Indigenous beneficiaries of the "Cultural Revaluating" economic empowerment model with emphasis on young migrants from rural areas and/or Indigenous communities.</p>

Indicators	Unit of measure	Baseline year	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 3.8. Linear park programs implemented for La Paz and El Alto with universal accessibility for persons with disabilities	Programs	2023	0	0	0	0	0	1	1	Program implementation report	<p>The program's design and implementation will include:</p> <p>(a) Route maps of the linear park for the implementation of universal accessibility.</p> <p>(b) Inclusive signage of the linear park (preventive, restrictive, informative), including route maps.</p> <p>(c) Implementation of interactive information technologies (QR, apps, etc.) with emphasis on persons with disabilities.</p> <p>(d) Inclusion of universal accessibility standards for design and construction tender documents.</p> <p>(e) Inclusive playground modules.</p> <p>(f) Plan of activities: cultural, artistic, sporting, and recreational.</p> <p>Calculation formula: sum of linear park programs implemented for La Paz and El Alto with universal accessibility for persons with disabilities.</p>

Country: Bolivia

Division: HUD

Operation number: BO-L1212

Year: 2023

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Office of the Deputy Minister of Transportation through the Airport Technical Unit (UTA)

Operation name: Urban Integration Program: Linear Park for La Paz and El Alto

I. Fiduciary Context of the Executing Agency

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input type="checkbox"/> National competitive bidding
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Considerations on fiduciary execution	<p>The borrower will be the Plurinational State of Bolivia, and the executing agency will be the Office of the Deputy Minister of Transportation of the Ministry of Public Works, Services, and Housing through the UTA, which has prior experience in executing Bank loans.</p> <p>The UTA's financial transactions will be carried out in the public management system (SIGEP), which provides financial information on budget execution securely and reliably in the official currency and in accordance with the accounting classification by item of expenditure. The operation's accounting records will be kept in accordance with the governmental accounting system. The financial reports required by the Bank will rely on the project management system (SIAP-IDB), because the SIGEP external financing module is still under development.</p>
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	<p>The ICAP exercise concluded that the UTA has sufficient capacity to implement the program owing to its prior experience in executing Bank resources (BO-L1079) and its current experience in managing current IDB loan 5601/OC-BO (BO-L1209). The fiduciary risk is medium, due to: (i) the lack of dedicated and knowledgeable personnel to handle the new operation's workload</p>
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¹ Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of the Bank's validation.

	<p>and (ii) the lack of formal project management procedures and processes.</p> <p>To this end, the recommendations made based on the ICAP are as follows: (i) strengthen the fiduciary area with two full-time professionals (finance and procurement) knowledgeable about IDB rules to take on the operation's additional workload; (ii) describe in the Program Operating Regulations the specific technical and operational arrangements and coordinating bodies for the program's procurement, financial management, budgeting, internal control, and audit; and (iii) strengthen the teams responsible for financial management and procurement (documents GN-2349-15 and GN-2350-15) as program execution progresses.</p>
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4. Fiduciary risks and risk response

Risk taxonomy	Risk	Level of risk	Risk response
Organizational structure	Procurement management	Medium-low	It is recommended to strengthen the procurement area with a full-time procurement manager to take on the additional workload that the operation will generate; this procurement manager should also coordinate the administrative issues of the procurement processes with UTA personnel.
Organizational structure	Financial management	Medium-low	Strengthen the UTA's fiduciary area with full-time professionals to take on the additional workload that the operation will generate.

5. Policies and guidelines applicable to the operation Procurement will be defined in the Bank-approved procurement plan and will be carried out within the framework of the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15) or other such policies as may be in force.
6. Exceptions to policies and guidelines: Not applicable.

II. Considerations for the Special Provisions of the Loan Contract

Special conditions precedent to the first disbursement: Not applicable.
Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the exchange rate to be used will be the rate stipulated in Article 4.10(b)(i). For the purpose of determining the equivalency of expenditures incurred in local currency chargeable against the local contribution or for the reimbursement of

<p>expenditures chargeable to the loan, the agreed upon exchange rate will be the exchange rate on the effective date on which the borrower, the executing agency, or any other person or legal entity with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.</p>
<p>Type of audit: Audited financial reports of the program. Within 120 days after the close of each financial year and during the original disbursement period or extensions thereof, and within 120 days after the date of the last loan disbursement, the executing agency will submit audited and final annual financial statements for the program, duly audited by an independent audit firm acceptable to the Bank, pursuant to the terms of reference agreed on by the Bank with the UTA.</p>

III. Agreements and requirements for procurement execution

<input checked="" type="checkbox"/>	<p>Bidding documents</p>	<p>For the procurement of works, goods, and nonconsulting services executed in accordance with the procurement policies (document GN-2349-15), subject to international competitive bidding, the Bank's standard bidding documents or those agreed on by the executing agency and the Bank for the procurement in question will be used. Moreover, consulting services will be selected and contracted in accordance with the policies for the selection of consultants (document GN-2350-15), and the standard request for proposals issued by the Bank or agreed on by the executing agency and the Bank for the selection in question will be used. The project's sector specialist is responsible for reviewing the technical specifications and terms of reference of procurements during preparation of the selection processes. This technical review may be ex ante and is independent of the procurement review method.</p>
<input checked="" type="checkbox"/>	<p>Use of country systems</p>	<p>In accordance with the Article 6.04 (a) and (b) of the General Conditions of loan, the use of the public procurement country standards (NB-SABS, D.S. 0181) IS NOT APPROVED for this program.</p>
<input type="checkbox"/>	<p>Advance procurement/ retroactive financing:</p>	<p>No advance procurement or retroactive financing is anticipated.</p>
<input checked="" type="checkbox"/>	<p>Special procurement provisions applicable to the operation</p>	<p>(1) Sustainable procurement: For bidder qualification and selection and for bid evaluation and awarding as well as the requirements set out in technical specifications and the contract, procurement processes may include sustainability criteria (environmental, social, or economic) in the various stages, including planning, preparation of standard bidding documents, definition of specifications, and contractual conditions.</p> <p>(2) Framework agreements: Since the program considers the recurring selection of the same type of consulting services, in order to achieve greater efficiency in the selection and contracting processes, it is recommended to contract individuals or consulting firms through indefinite delivery contracts (paragraph 4.5 of</p>

		GN-2350-15) and/or the preparation of framework agreements between the UTA and individual consultants and firms setting out the terms and conditions applicable to specific consulting services (paragraph 4.6 of GN-2350-15).								
<input checked="" type="checkbox"/>	Procurement supervision	<p>The supervision method will be ex post, except where ex ante supervision is warranted. Where procurement is executed through the country system, supervision will be carried out through the country supervision system. The supervision method ((i) ex ante, (ii) ex post, or (iii) country system) will be determined for each selection process. Ex post reviews will be conducted every 12 months in accordance with the project supervision plan, subject to change during execution. Ex post review reports will include at least one visit (the inspection verifies the existence of procurement, while verification of quality and compliance with specifications is left to the sector specialist) for physical inspection, chosen from the procurement processes subject to ex post review [no less than 10%]. The thresholds for the ex post review are as follows:</p> <table border="1"> <thead> <tr> <th>Executing agency</th> <th>Works</th> <th>Goods/services</th> <th>Consulting services</th> </tr> </thead> <tbody> <tr> <td>UTA</td> <td>US\$3,000,000</td> <td>US\$200,000</td> <td>US\$200,000 Companies US\$30,000 Individuals</td> </tr> </tbody> </table>	Executing agency	Works	Goods/services	Consulting services	UTA	US\$3,000,000	US\$200,000	US\$200,000 Companies US\$30,000 Individuals
Executing agency	Works	Goods/services	Consulting services							
UTA	US\$3,000,000	US\$200,000	US\$200,000 Companies US\$30,000 Individuals							
<input checked="" type="checkbox"/>	Records and files	The UTA will be responsible for establishing the necessary controls for the safeguarding and integrity of the documentation generated by ex ante or ex post execution of the program. The Bank may verify the filing organization, control, and security standards at any time.								

Main procurement items

Description of the procurement	Selection method	New procedures/tools	Estimated date	Estimated amount (US\$)
Goods	Not applicable	Not applicable	Not applicable	Not applicable
Works				
Construction of gabions, culverts, retaining walls, control booths, grandstands, minor works, public safety equipment	National competitive bidding		4 January 2024	1,576,984

Description of the procurement	Selection method	New procedures/ tools	Estimated date	Estimated amount (US\$)
Construction of mixed-use buildings complementary to the metropolitan linear park	International competitive bidding		4 January 2024	3,199,096
Construction of the orange section and urban commercial passageway	International competitive bidding		4 January 2024	4,888,542
Construction of red section	International competitive bidding		10 January 2026	3,707,640
Construction of purple line	International competitive bidding		4 January 2026	3,909,589
Construction of blue line	International competitive bidding		9 October 2024	1,443,294
Construction of green line	International competitive bidding		4 January 2024	7,041,993
Nonconsulting services	Not applicable	Not applicable	Not applicable	Not applicable
Firms				
Supervision of green areas, buildings, and minor works	Quality- and cost-based selection		8 January 2024	173,920
Works supervision for sections 1 to 5	Quality- and cost-based selection		2 May 2024	947,814
Individuals	Not applicable	Not applicable	Not applicable	Not applicable

To access the procurement plan, click [here](#).

IV. Agreements and Requirements for Financial Management

<input checked="" type="checkbox"/>	Programming and budget	Since the borrower is the Plurinational State of Bolivia, the funds from this operation will be added to the national budget and subsequently transferred to the UTA, which will also add them to its budget. No challenges are expected that could affect execution.
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<input checked="" type="checkbox"/>	Treasury and disbursements	<p>Prior to the first disbursement: Key personnel of the UTA will be appointed/recruited according to the terms agreed with the Bank, with a minimum number of members (including the full-time financial officer and procurement officer, who will fulfill the position's profile, experience, and competencies).</p> <p>Disbursement method: Disbursements will take the form of advances of funds and/or reimbursements.</p> <p>Disbursement mechanism: Electronic disbursement requests will be submitted via the Online Disbursements platform and/or the fiduciary interface if it is already deployed at the executing agency.</p> <p>Bank account: The borrower/executing agency will keep the Bank-disbursed resources in a bank account opened exclusively to manage the U.S. dollar resources in the Central Bank of Bolivia through the use of the treasury single account in U.S. dollars and will open a Libreta (designated account). If there are payments in local currency, the executing agency will open a Libreta treasury single account in local currency, which will also be for the exclusive use of the operation, to make such payments. This Libreta will only receive funds for transfers from the aforementioned treasury single account in U.S. dollars for the purpose of meeting payments in local currency.</p> <p>Financial plan: advances will be made for a period of up to 6 months (180 days), depending on liquidity needs, based on commitments made.</p> <p>Percentage for accountability: 80% of the balance of advances not yet justified.</p> <p>Flow of project resources: the funds will be disbursed to the executing agency in the account opened with the Central Bank of Bolivia (Libreta treasury single account in U.S. dollars), from which they are transferred as payments for goods and services to contractors/suppliers.</p> <p>Disbursements will be subject to the applicable limitations described in paragraph 2.3: "Disbursement schedule. Pursuant to document AB-2990, the disbursement of loan proceeds will be subject to the following maximum limits: (i) up to 15% for the first 12 months; (ii) up to 30% for the first 24 months; and (iii) up to 50% for the first 36 months. All such periods will commence as of the date of loan approval by the Board of Executive Directors. These limits may cease to apply when the requirements set out in the Bank's policy on such limits have been met, provided that the borrower has received written notice to this effect."</p>
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<input checked="" type="checkbox"/>	<p>Accounting, information systems, and reporting</p>	<p>The specific accounting standards to be followed for the execution will be the regulatory framework of the Plurinational State of Bolivia. As the country's technology platform, SIGEP will be used for accounting purposes. The accounting records will be kept on an accrual basis, whereas the financial reports to be submitted to the Bank will be prepared on a cash basis in U.S. dollars. The accountability reports will be the statement of cash received and disbursements made, the statement of cumulative investments, and the related notes prepared on the basis of the accounting records generated by the Public Financial Reporting System. As a complement to the policies and guidelines applicable to the operation, the program Operating Regulations will be used with the documented definition of workflows and internal controls.</p>
<input checked="" type="checkbox"/>	<p>External control and financial reporting</p>	<p>The executing agency will select and/or contract the external audit services in accordance with the terms of reference previously agreed upon by the executing agency and the Bank, which will set out the type, timing, and scope of the review. The external auditor selected and the auditing standards to be applied will be acceptable to the Bank. Depending on the nature and risk of the operation, annual financial audit reports will be submitted by 30 April of the year following the audit. The type of audit and level of eligibility required for auditors may be adjusted over the project's lifetime depending on the findings of the Bank's supervision. The program's final audit will be submitted within 120 days after the date of the last disbursement. The audit will be conducted in accordance with the guidelines set out in the Financial Management Guidelines for IDB-financed Projects (document OP-273-12).</p>
<input checked="" type="checkbox"/>	<p>Financial supervision of the operation</p>	<p>The operation requires the on-site financial supervision of the UTA. Under the responsibility of the financial management specialist, inspection visits to the executing agency and activities related to on-site and desk reviews and support will be conducted, among other activities. This work will be supported by consultants and the audit firm retained to perform the annual audit of the annual audited financial statements. This supervision may be adjusted based on experience in project execution.</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/23

Bolivia. Loan ____/OC-BO to the Plurinational State of Bolivia
Urban Integration Program: Linear Park for La Paz and El Alto

The Board of Executive Directors

RESOLVES:

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 Plurinational State of Bolivia, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Urban Integration Program: Linear Park for La Paz and El Alto. Such financing will be for the amount of up to US\$30,000,000 from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2023)