

Discussion Paper - December, 2019

**Bolivia tomorrow:** Reflections on how to operationalize an effective development strategy that sustains a future of well-being for all.<sup>1</sup>



Bolivia stands out for its natural wealth, geographical and ethnic diversity, as well as for having one of the lowest population densities in the world (10/km², ranked 213 in the world), all of which have anthropological, cultural, historical, social and economic ramifications.

The last two decades have witnessed a remarkable decline in inequality<sup>2</sup>. The *Social Progress Index* of 2018³ places Bolivia in the 80th position of 146 countries analyzed (91st when only GDP per capita is considered)⁴. Alongside this, Bolivia ranks 118th out of 189 countries on the *Human Development Index*. Public policies aim at improving the human, environmental and economic development of the country to reduce the gap between Bolivia and its neighbor countries, while also ensuring internal social cohesion and well-being.

The promise of the overarching national development agenda, known as Vivir Bien (Living Well), depends on the effective interactions between all stakeholders: civil society, academia, and the private and public sectors. The latter is responsible for laying the institutional foundations and governance mechanisms that give rise to a higher quality of life for the population measured by parameters of equity, sustainability, security, legitimacy or participation.

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For the first time, the 2030 Agenda<sup>5</sup> for Sustaina emphasizes the role of cities as transformations.

This document condenses new knowledge regarding basic elements of local public administration, identifies proposals to strengthen the provision of public services and public finances both in the national context of the 2025 Agenda as well as in the global context (the 2030 Agenda for Sustainable Development and the New Urban Agenda -NUA-) and, finally, it proposes probing questions for reflection.

# Why an Urban Agenda?

In line with global trends, Bolivia has become a predominantly urban country. Currently, 67.5% of the Bolivian population lives in cities and this percentage is expected to increase to 80% by 2030. Rapid urbanization creates investment pressure for the provision of infrastructure and public services in growing towns and cities. Further, urban areas are responsible for 70% of the carbon emissions associated with climate change despite occupying only 2% of the planet's territory. Thus, cities play a fundamental role in global prosperity.

For the first time, the 2030 Agenda<sup>5</sup> for Sustainable Development (2015) emphasizes the role of cities as transformative tools for economic development and welfare. This is evident in Sustainable Development Goal (SDG) number 11<sup>6</sup> (out of 17 SDGs) that seeks to reach inclusive, safe, resilient and sustainable cities and human settlements.

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The GINI index decreased from 0.62 in 2000 to 0.45 in

Complete information on the indicators that make up the index here: https://www.socialprogress.org/?tab=2&code=BOL (last access, January 2019)

Gross domestic product (GDP) at purchasing power parity (PPA) values per capita.

Complete Agenda to be consulted here: https://www.un.org/sustainabledevelopment/es/ (last accessed, January 2019)

The detail of SDG 11 can be found here: https://www.un.org/sustainabledevelopment/es/ cities/ (last consultation, January 2019)



In parallel, since the end of 2016, the New Urban Agenda (NUA)<sup>7</sup> has consolidated a shared vision of sustainable urbanization. Accordingly, it outlines cities not necessarily as causes of present human problems, but as necessary actors who can and must contribute to finding solutions which foster sustainable development. The year 2019 and the next few years are key for the future of Bolivia since the new National Urban Policy (NUP) is being drafted as a tool for applying the NUA<sup>8</sup>.

The challenge consists in tying the NUA and the NUP to the strategic goals and policies of the Bolivian State at all levels of government (Living Well national angenda and SDG 2030 Agenda). Therefore, a common vision within the distinct levels of territorial administration is essential to coordinate the efforts of all the agents involved and to advance together in an effective way without leaving behind the rural areas and vulnerable populations.

# The role of local governments in the Bolivian territorial model

Institutions play a critical role in the development of countries representing a fundamental cause of the differences between nations (Acemoglu and Robinson, 2008°). Douglass North (1990)¹¹⁰ defines institutions as "the rules of the game in a society or, more formally, the humanly-conceived restrictions that shape human interaction." It is as important to give rules and guidelines as it is to improve living conditions and equity of citizens by enforcing the right governance mechanisms. Governments must avoid lengthy bureaucratic procedures and the introduction of administrative barriers without real purpose.

During the 1950s, the theory of decentralization began to develop in response to the inefficient provision of public goods and services by the central governments. The economist Paul Samuelson (1954)<sup>11</sup> proved that these inefficiencies were due to the distance between individuals and decision makers. Decentralization efforts gained force in the '90s and again with the introduction of the new Constitution (2009).

*Grosso modo*, decentralization is effective if it is accompanied by allowing the operating of appropriate financial and administrative mechanisms for local governments, adapted to the existing needs, priorities and capacities.

Today, the Plurinational State of Bolivia is constituted as a unitary state, decentralized and with autonomous features. Within the constitutional design of the State, there are three levels of autonomy with differing legislative and taxing powers: departmental, municipal, and indigenous native peasant autonomy (AlOC¹²). There is a fourth level of regional territorial government¹³ that lacks legislative power. There are 9 departments and 342 municipalities, of which about 20% have less than 5,000 inhabitants, 24 have more than 50,000 inhabitants, and only 12 municipalities have more than 100,000 inhabitants. The law also opens the possibility of generating spaces for joint planning and coordination between the autonomous territorial entities (ETA) through macro-regions, associations, and districts. The potential of these spaces is still uncertain.

Whose complete text can be consulted through this link: http://habitat3.org/wp-content/ uploads/NUA-Spanish.pdf (last accessed, January 2019)

The NAU revolves around five pillars: (1) national urban policies, (2) urban legislation and regulations, (3) urban planning and design, (4) local economy and municipal finance, and (5) local implementation.

<sup>&</sup>lt;sup>9</sup> Acemoglu, Daron and Robinson, James. 2008. The role of institutions in growth and development. Working paper no. 10. Commission on Growth and Development. Australian Government, AusAID; Department for International Development, DFID; The William and Flora Hewlett Foundation; AIDS; The World Bank.

North, Douglass C. 1990. Institutions, Institutional Change, and Economic Performance. New York: Cambridge University Press.

Samuelson, Paul A. (1954) The Pure Theory of Public Expenditure. *Review of Economics and Statistics*. Vol 36. No. 4.

<sup>12</sup> At present, three AIOC have been officially constituted: Charagua lyambae, Raqaypampa, and Uru Chipaya.

<sup>3</sup> Under these parameters, the autonomous regional government of the Gran Chaco integrated by Caraparí, Villa Montes and Yacuiba has been constituted.



Whatever is the size, capacities, resources, powers or functions of any local entity, the Constitution and the Framework Law on Autonomy and Decentralization (LMAD, 2010) outline that all these territorial entities will be at the same horizontal level. Whilst this equality holds legitimacy and political value, in practice there exists a gap between what institutions are enshrined to deliver and their actual performance. By creating many legal responsibilities (planning, reporting to the central level) and a myriad of competencies or functions, local governments priorities are dissipated. The lack of clarity in the allocation of tasks makes it difficult to know individual responsibilities and creates multiplication of efforts (for example, the cable car in La Paz was carried out by the central government despite being a municipal mandate, while other basic services are not getting political attention from any administration). Moreover, the recent reinforcement of the regulatory role of local governments has not being translated into more practical and effective decentralization since overregulation poses serious challenges. Nor has it laid the structural foundations of local institutions (because most of the laws are declarative or address issues that do not affect the pillars of public management), nor has it strengthened the legal system as a whole (since it is incoherent and insecure when laws emanate from various sources).

# The theory: instruments for strategic planning

Bolivia has placed emphasis on the institutional and strategic development planning for the short, medium and long term. The Ministry of Development Planning (MPD), through Law 777, of 2016, formulated general norms which integrate the Comprehensive Planning System of the Plurinational State (SPIE). The SPIE outlines long-term planning that takes place within the framework of the Patriotic Agenda of the Bicentennial (2025), which became law in 2015<sup>14</sup>.

It proposed 13 pillars, 68 goals, 340 results and 1013 actions<sup>15</sup>. There is also the forecast of a medium-term strategy through the Economic and Social Development Plan (PDES) from 2016 to 2020. Both tools are essential mechanisms for compliance with the SDGs and are carried out by the central government and by sub-national territorial entities. Although the SPIE law respects the exclusive, shared or concurrent competences of the subnational governments established in the Constitution and the LMAD, it is outlined that all planning must be prepared in accordance with the central level. Lastly, institutional planning is annual. The following graphic (1) summarizes the SPIE and the set of its instruments.

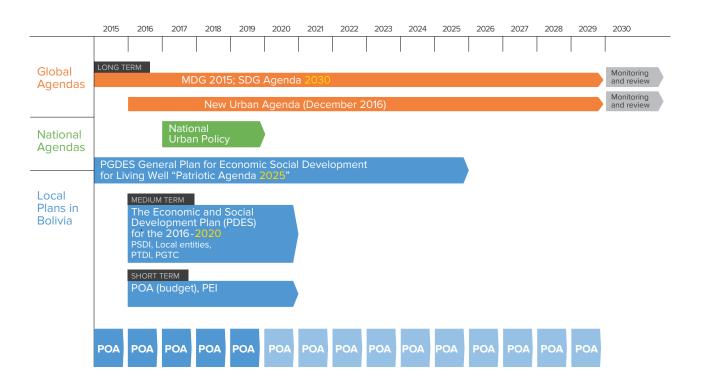
# (Box 1) Questions for reflection

- How feasible is it for resource-constrained local governments to fully and effectively exercise their dozens of legal competencies while still reporting to the central level, and planning as requested by the national and the global agendas?
- How is the current subnational structure with executive and legislative bodies? Is it leading to an effective provision or guarantee of essential public services?
- To what degree is the legislative power being exercised by local governments and what is the real impact of such power?
- Which norms, laws or regulations (procurement, budgeting, etc.) would be fundamental for municipal management?
- How can participatory budgeting be improved?

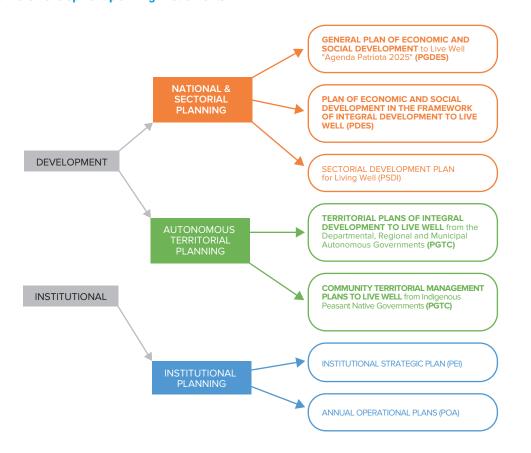
These pillars are: (1) Eradication of extreme poverty; (2) universal basic services for Living Well; (3) health, education and sport to form complete human beings, (4) technological and scientific endogenous sovereignty; (5) community financial sovereignty without being servile to financial capital; (6) diversified sovereign production and holistic development free from the dictates of capitalist markets; (7) natural resource sovereignty with nationalisation, industrialisation and trading in harmony and balance with mother nature; (8) food sovereignty building knowledge on eating well and Living Well; (9) environmental sovereignty with holistic development that respects the rights of Mother Earth; (10) complementary integration of peoples and sovereignty; (11) sovereignty and transparency in public management governed by the principles of: don't steal, don't lie and don't be lazy; (12) enjoyment and fulfilled happiness with our celebrations, music, rivers, forests, mountains, snow-capped peaks, clean air and with our dreams; (13); regaining sovereignty over Bolivia's joy, happiness, prosperity and over Bolivia's sea.

<sup>14</sup> Law 650, "Patriotic Agenda of the Bicentennial", promulgated on January 15, 2015.

**Graph 1: Development planning in Bolivia. Timeline.** 



**Graph 2: Bolivia's Development planning. Instruments.** 



Source: Law 777/2016, MPD



The reality, however, has revealed that not all public entities are capable of meeting planning mandates. Moreover, there is a lack of monitoring and evaluation of performance, leading to an inability to reformulate policies and public actions as necessary. The framework for strategic planning is more complex than the government's support and it suffers from pursuing quantity over quality of results, with thousands of objectives and indicators overlapping, without setting up gradual priorities. Therefore, in view of the revision of the PGDES/ PDES and the elaboration of the NUP, it is fundamental to align and simplify the objectives of the different plans in order to avoid repetitions, not to create unnecessary burdens, to prioritize which concrete indicators have to be met within a reasonable timeline, gradually, to orient these indicators to obtain attributable results -not only quantifiable activities-, and introduce quality parameters to spark better delivery of public services. For example, targets consisting on the increasing number of inputs (more computers, schools, hospitals, etc.) may or may not improve the quality of education, health or public management. It all depends on whether and how those inputs are used.

# The practice: how is Bolivia progressing in meeting the development goals?

# **Basic services**

Article 20 of the Constitution enshrines the universalization of basic services for the purpose of poverty eradication and good urban management in alignment with the *pillar 2 of the Patriotic Agenda 2025.* Before 2020, regarding the drinking water service the PDES aims to reach 95% coverage in urban areas and 80% in rural areas. In the year 2000, 78.81% of the population in Bolivia had access to **basic drinking water service**.

This percentage gradually increased until reaching 92.88% in 2015<sup>16</sup>. According to the projections of the Ministry of Environment and Water (MMAyA), the national water coverage in 2016 was 93.80%, although it only reached 66.40% in the rural area. The challenges are pervasive for the least developed autonomous government bodies. For example, according to MMAyA projections in 2016, the total coverage of water provision in the departments of Santa Cruz and Tarija exceeded 95%, while in Beni and Pando it was around 61% and 68% respectively, with rural coverage of 45% and 55% respectively.

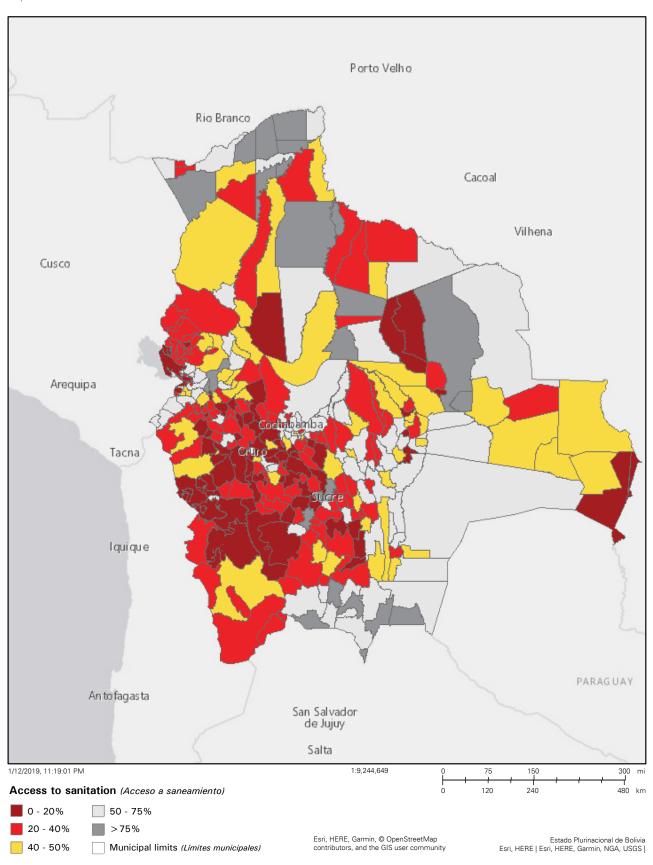
Coverage for **sewerage and basic sanitation services** expected in the PDES is 70% in urban areas and 60% in rural areas. The latest projections of MMAyA in *2016 were 66% in urban areas and 43% in rural areas.* In 2015 it was reported<sup>17</sup> that the utilization of sanitation services managed securely benefited only 19.01%<sup>18</sup> of the population. In rural areas, 40.42% of the population continues to practice open defecation, with subsequent public health problems. In the year 2016, the highest average for open defecation was reported by the MMAyA for the department of Tarija with 78.7%, while in Beni the average was 25% and in Pando 29.6%.

WHO / UNICEF, Joint monitoring program on water, sanitation and hygiene (washdata. org). Last access: December 2018

<sup>17</sup> Iden

Percent of people using improved sanitation facilities that are not shared with other households where excreta and discarded safely in situ or transported and treated offsite. Improved sanitation facilities include sewerage or discharge systems to sewer systems by pipelines, septic tanks or improved and ventilated pit latrines, composting toilets or pit latrines with slabs. Adequate sanitation is related to the prevention of the spread of infectious diseases and pandemics.

Map 1. Access to sanitation



Source: @ dotGIS\_corp (MMAyA projections for 2016)



The 2030 Agenda goes one step further than the 2025 Agenda and the 2020 PDES. For example, target 6.1 proposes "achieving universal and equitable access to safe drinking water at an affordable price for all" by 2030. From the initial aspiration, other specific targets, mostly neglected to date, are described: access to adequate sanitation and hygiene services and "putting an end to open defecation, paying special attention to the needs of women and girls and people in a situation of vulnerability"(6.2), "improve water quality by reducing pollution [...] and significantly increasing recycling and reuse [...]" (6.3), "significantly increase the efficient use of water resources in all sectors and ensure the sustainability of the extraction and supply of fresh water to cope with water scarcity [...] (6.4), "implement integrated management of water resources at all levels[...]," and (6.5), "restoring water-related ecosystems, including forests, mountains, wetlands, rivers, aquifers and lakes" (6.6). For this purpose, it is suggested to expand international cooperation in order to strengthen technological capabilities as well as to promote the participation of local communities (6.a and 6.b).

Regarding **electricity**, the PDES stated that by 2020 "it is intended to achieve 100% coverage in the urban area and 90% in the rural area". In 2001 there was a service coverage of 89.7% in urban areas and 24.5% in rural areas. In 2016, electricity coverage had grown to 99% for urban areas and 73% for rural areas according to the line Ministry. The access gap between urban and rural areas is substantial, "probably due to [...] the costs of electrification in rural areas" (Andersen, Branisa and Canelas, 2017<sup>19</sup>, page 131 and following). There are still 26 municipalities with less than 50% coverage and the challenge of renewable energies for Bolivia persists.

Additionally, **information and communication technologies (ICT)**, are today essential tools and services that must be established through robust broadband infrastructure. According to the Regulation and Control Authority for Telecommunications and Transport (ATT), in 2018 there were more than 9 million subscriptions to the internet, representing 84% of the population. Of total subscriptions, 90% corresponded to mobile connections and only 4% fixed internet accounts existed<sup>20</sup>. In addition, data reveals that there are 180 municipalities in Bolivia where internet coverage is less than 1%.

# **Social services**

According to UNESCO, the enrollment rate in gross primary **education** in 1999 was 118%, decreasing to 94% in net values<sup>21</sup>. In 2015 the reported values for the degree of enrollment in basic education gross and net were, respectively, 97% and 88%. The enrollment in secondary school in the year 2000 was 71% (gross) and 61% (net). This has increased considerably up to 86% (gross) and 78% (net) in 2015. In tertiary education, the gross rates have increased from 29% in 1998 to 38% in 2007<sup>22</sup>. Learning outcomes are unknown.

The **health** sector has seen advances; for example, the increase in the number of doctors per inhabitant <sup>23</sup>. Nevertheless, strong inequalities persist. In many municipalities of the Bolivian West, more than 50% of children do not get access to the pentavalent vaccine (2016 data). On the other hand, the burden of non-communicable diseases is insufficiently attended, health financing is overlooked, and departments face hospital maintenance, in some cases with expenditures representing over 50% of their annual budgets.

In these two key areas to build human capital, the basis of knowledge societies, the accuracy of the information is doubtful and varies significantly between years and, also, it is difficult to determine the impact of local investment compared to funding from other levels of government. Any sector reform would require considering whether the current fragmentation and segmentation are suited to cultivate a strong education system or a responsive health system.

In short, the work that remains ahead for the public, private and social sectors is immense, so that basic and social services can eventually be of the highest quality, sustainable and equitable, and none is left behind. We know that 1) the achievement of the national objectives is still ongoing and 2) it is vital to make an effort so that those national objectives are a) clarified and simplified, b) they are oriented to priority results and c) they are updated and adjusted according to the level of detail of the 2030 Agenda and the demands of quality and sustainability.

Andersen, Branisa and Canelas. 2017. The ABC of development in Bolivia. INESAD

Regulation and Control Authority of Telecommunications and Transport. Sectorial Statistics of Telecommunications and ICT. I / 2018.

The difference between the gross and net rate is that the latter considers the population enrolled corresponding to the population within the official school age, not the total number enrolled. Primary education is the one that educates in basic reading, writing and math skills, as well as a fundamental understanding of subjects such as history, geography, natural sciences, social sciences, art and music.

<sup>&</sup>lt;sup>22</sup> UNESCO has not reported more up-to-date data

The National Health Information System (SNIS) publishes epidemiological and health system information.



#### Box 2: Questions for reflection

- Is there a risk of exacerbating territorial inequalities, so that the fate of an individual is dependent on having been born or residing in one or another municipality?
- Does theoretical equality in the distribution of public responsibilities create a two-speed Bolivia where urban areas are able to use their autonomy more effectively than rural areas, resulting in rural areas falling behind by not effectively implementing policies?
- · Is it possible to simplify development planning?
- Who is responsible for assuming or complementing the functions of the municipalities with the greatest performance difficulties?

# **Public finances**

## **Domestic resources**

Improving the capacity to collect tax revenues is described as target 17.1 of the SDGs, being a cross-cutting goal as it is required so that development in all areas is sustainable and not dependent on specific programs.

In Bolivia, where there is no tradition of a tax on the income of individuals, operations of the central state level depend highly on the emoluments derived from the exploitation of natural resources, which are exposed to volatility. In turn, only between 7 and 9% of the general budget of the State (PGE)<sup>24</sup> has been transferred to the municipalities in the last two decades. Further, the criteria for these distributions have not adequately

considered the greater or lesser population concentration in the different territories, prioritizing political-geographical criteria rather than considering demographic needs for these vertical transfers.

At a strictly subnational level, both the fiscal policy (the determination of taxable cases and the formulation of local taxes) and the fiscal administration (its periodic collection)<sup>25</sup> face serious difficulties, especially in the most dispersed municipalities and with less than 50,000 inhabitants. Although the 2009 Constitution deepens the process of fiscal decentralization by recognizing autonomy and the possibility of creating local taxes, fees, patents and special contributions, as well as generating income through other channels (local public companies or sale of goods and services), in practice, only a few municipalities are effectively performing. This results not only in the fact that local financial resources in many cases are limited, scarce to independently finance investments, but also in the fact that local resources lack predictability, making pluriannual projects risky.

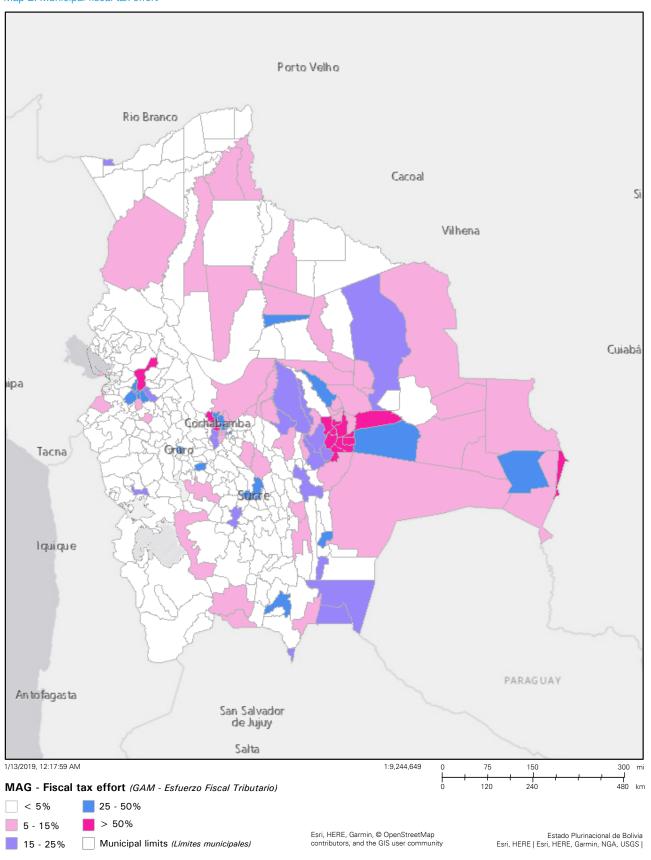
We find cases in which the municipalities have made a significant fiscal tax effort<sup>26</sup>, especially in the main cities of Bolivia, with Santa Cruz and its metropolitan area (Porongo, Colpa Belgium), La Paz and Cochabamba generating more than 90% of its revenues. However, in 273 out of 339 municipalities analyzed, less than 10 out of every 100 bolivianos in their respective budgets were generated by the municipalities themselves, and 157 municipalities did not reach 1% tax effort indicator. The inequalities between the larger urban centers which have greater institutional capacities and the smaller settlements with few capacities generate differing levels of human development for their inhabitants.

To know more you can go to Junquera-Varela, Raul Felix; Verhoeven, Marinus; Shukla, Gangadhar Prasad; Haven, Bernard James; Awasthi, Rajul; Moreno-Dodson, Blanca. 2017 Strengthening domestic resource mobilization: moving from theory to practice in low- and middle-income countries (English). Directions in development; public sector governance. Washington, DC: World Bank Group.

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On the other hand, the national public companies received 46% of the PGE and 4% the departments, which helps to size the state actors.

Map 2: Municipal fiscal tax effort



Source: @ dotGIS\_corp (data from the MEFP, 2016)

#### Box 3: Questions for reflection

- Would conditional vertical transfers from the central government to local governments contribute to improving local fiscal capacities?
- Should municipalities with poor own-source revenue records be considered non-viable?
- What horizontal compensation mechanisms based on the principles of solidarity and equity would fix the current inequalities between territories?
- How can we alleviate the fiscal pressure faced by well-performing capitals from increased expenditures due to rapid urbanization?
- Are there political economy reasons that allow a structural reform of the Bolivian financial system as a whole for the sake of diversification of revenue sources and their modernization?

# **Expenditures**

Local public expenditures address both the execution of competencies, as well as administrative duties required for the functioning of local governments. The LMAD set spending limits for municipal governments and AIOC: at 25% for operating expenditures and 75% for investment costs. Between 2010 and 2016, 22.37% of the expenses of the municipalities were structural expenses; that is, they covered administrative, current expenses, and items that included: "institutional strengthening", "forecasts", "fundamental basic norms", "municipal associative system" or "cadastre". However, while some municipalities did spend substantial budget on their sectorial competencies, others drastically increased their structural, current expenses. This is, for example, the case of Yaco, in the Department of La Paz, where 80.79% of its expenditure in 2010 was structural, running expenses.

Whilst the LMAD guarantees resources to transfer to the autonomous local governments for financing, in many cases these transfers are conditional. That is, they must allocate resources to sectors prioritized by the central level with pre-established percentages and in a complex way (this applies to allocations for health, education or citizen security). Therefore, discretion in spending for the exercise of local obligations is limited both by the budget amount and by this conditionality.

It is not known what the investment amount of the central level is in each territorial jurisdiction, so it is difficult to establish a causal link between local management and the advances -or stagnation- in the provision of public services. It is known that spending patterns vary according to the municipality, with spending divided to address multiple issues. The variability then is understandable and normal. While some municipalities register high investments in certain sectors, others within the same sector register a meager investment. What strikes us is that municipalities with limited basic services (water, sewerage, electricity or telecommunications) do not prioritize them despite being the basis of human and economic development and sectors where administrative proximity should be most beneficial in improving service delivery.

Expenditures for habitat, housing, and urban and rural infrastructure represent on average 15.26% of the expenditure of the municipalities in recent years. There are municipalities in the Departments of Chuquisaca, La Paz, Cochabamba, Oruro and Potosí that do not register transactions in this area. In 2016, the municipality of Boyuibe of the Department of Santa Cruz allocated 57.00% of its expenditure to this concept.

It also excels the realized allocation by the town of Yunguyo del Litoral from the Oruro Department during the 2015 administration, which reached 56.35%. In this sense, it is essential to specify that urban development must be planned in harmony with all the needs at stake: basic services, social services, housing, public property, etc.

#### Box 4: Questions for reflection

- Do current regulations that require local governments to invest substantially (in relative terms) in health, education, social protection or citizen security contain mechanisms which verify the quality of expenditures based on the results obtained in terms of expanding access, maintaining or improvement of services?
- Once the complex expenditure requirements determined by current legislation have been met, is there still fiscal space to significantly address the local management of basic services such as water and sanitation, or to influence traditionally neglected areas such as waste management, climate change, urban planning, clean transportation or public safety?
- When it comes to assuming mandates, competencies, and prioritizing local spending, is there an understanding of what aspects are really local and therefore benefit from local autonomy? What responsibilities, policies and sectors would benefit from economies of scale and greater cohesion addressed by the departmental level or the central government?
- What institutional and regulatory reforms would be necessary?

Bolvia possess experience in participatory budgeting. Its evolution, supported by new technologies and the reinforcement of e-Government provide a wide range of benefits in public finances and local administration while including civil society to provide solutions to urban problems and to benefit from agile, fast services. They are a tool of great relevance for the efficiency of the public budget and contribute to the acceleration of strategic actions to achieve local and international objectives<sup>27</sup>.

#### **Conclusions**

Today we are given an opportunity for reflection to project a better Bolivia. Tomorrow, Bolivia will demand a transformed, productive, inclusive and resilient reality; vibrant cities where tradition and modernity meet; opportunities.

To achieve the overwhelming global, national and local goals in 2020, 2025 and 2030, it is urgent that Bolivia today simplifies, integrates and prioritizes the different development agendas, as well as developing long-term public policies that focus on people and basic and social services, education, health and social protection. This also requires that the preparation of annual budgets and multi-year strategic planning go hand in hand with solid, predictable and solidarity public finances that promote the prosperity of all territories and their respective populations. Respect for the rule of law, the professionalization of the public service, the implementation of new interoperable technologies, innovation in processes or de-bureaucratization have the undeniable potential to contribute significantly to the country's progress.

Bolivia tomorrow will require, at all levels of government, an administration that is both sophisticated and light, agile, that clearly distributes roles and functions of the various agents, identifies pressing needs, avoids duplication and clientelism, and provides, in the end, quality to the *res publica*, achieving thus, a harmonious and welfare state.

Note: The comments of the authors do not compromise the institution to which they belong.

<sup>27</sup> www.pb.unhabitat.org