

**EXECUTIVE
BOARD
MEETING**

SM/21/87
Correction 6

July 6, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **Bolivia—Staff Report for the 2021 Article IV Consultation**

Board Action: The attached corrections to SM/21/87, Cor. 3 (6/22/21) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

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Questions: Mr. Walker, WHD (ext. 38483)
Mr. Evans, WHD (ext. 38811)
Mr. Cardenas Rossel, WHD (SCardenasRossel@imf.org)

CONTEXT

1. On October 18, 2020, Luis Arce of the Movement for Socialism (MAS) party won Bolivia's presidential election with 55 percent of the vote. Following the annulled October 2019 election, the general election had been postponed several times as a result of COVID. President Arce, a former Minister of Finance in the previous government, was sworn in to a 5-year term on November 8, 2020.

2. The COVID-19 pandemic has led to unprecedented disruption and a tragic loss of life, Bolivia was initially spared from the full force of the pandemic but cases rose in July and August, receded, and then surged again toward the end of 2020. Over ~~12,000~~^{15,000} deaths and ~~250,000~~^{400,000} cases have been reported by early May. A health emergency was announced in March 2020 with the government implementing a generalized lockdown (closing businesses, schools, and border crossings). The lockdown was subsequently extended several times before restrictions on business operations and movements were gradually relaxed starting in September. The government has agreements to receive vaccines via COVAX and through other sources, and began its vaccination program in February. As of early June, about 4 percent of the population had been fully vaccinated.

THE IMPACT OF COVID, OUTLOOK AND RISKS

A. Recent Developments

3. Before the pandemic, high growth—bolstered by high commodity prices and expansionary fiscal policy—and an expansion in social programs had significantly improved living standards. From 2000-19, poverty fell from 66.4 percent to 37.2 percent, extreme poverty fell from 45.3 to 12.9 percent, life expectancy rose from 61 to 73 years, and primary school completion increased from 84 to 99 percent.

