



Integrated Country Strategy

BOLIVIA

FOR PUBLIC RELEASE

Approved: April 5, 2022

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1. Chief of Mission Priorities

Bolivia held peaceful and transparent elections in 2020 that gave a decisive victory to Movement Towards Socialism (MAS) presidential candidate Luis Arce. Arce ran as the leader of a revitalized party, which had lost support in 2019 after former President Evo Morales resigned from office after weeks of public unrest following fraudulent elections. Arce achieved this victory in an environment with a highly fractured and regionalized opposition, as well as an extremely politicized electorate still reeling from the 2019 events. In his first meeting as president with U.S. officials, Arce indicated an openness to building a better relationship with the United States, which had been acutely strained during the Morales administration (2006-2019). We have not exchanged ambassadors with the Government of Bolivia (GOB) since 2008.

The Arce administration has shown a less hostile posture to the U.S. government than the former Morales government. We will continue to take advantage of this willingness to dialogue and seek opportunities for greater engagement with the government and MAS leaders. Our focus will include targeted efforts that present a positive and human face of a Mission open to new opportunities with the government. The United States supports a democratic and economically sustainable Bolivia with strong, independent institutions that respect the rule of law and improve the lives of the Bolivian people. Mission Bolivia will seek opportunities to become the partner of choice, and counter efforts by China, Iran, Russia, and other autocratic governments to exert unhelpful influence over Bolivia. We will work with Bolivia through international partners to address transnational issues, including combatting drug trafficking, and in addressing the increasing demands by the growing population of immigrants and refugees. We are increasingly concerned by the lack of independence of Bolivia's branches of government and the closing of democratic space through the judiciary's suppression of the political opposition and government critics, and other hostile acts against opponents and the media.

Our diplomatic mission will focus on reaching out to the Bolivian people to support their efforts to strengthen Bolivia's press freedom, social inclusion of marginalized groups, democracy, and defense and protection of human rights. We will take every opportunity to show Bolivians that

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cooperation with the U.S. government brings benefits to Bolivia, and we will rely upon the Embassy's social media, the diffusion of U.S. humanitarian assistance, and Bolivians' participation in U.S. educational, professional, and commercial exchanges to advance U.S. interests.

The Arce government inherited an economy with a bleak outlook, ironically due to many of the economic policies that Arce championed as Morales's finance minister. Under Morales, the government expanded its role in the economy, increased social spending, and redistributed income to the lower and middle classes. As of January 2022, international foreign reserves are at \$4.5 billion dollars and there is increasing pressure on the local currency, which is overvalued by as much as 30 percent and has been pegged to the dollar since late 2011. A 2018 study by the International Monetary Fund found that Bolivia has the world's largest informal sector as a percentage of its overall economy. Approximately 60-80 percent of Bolivians work in the shadow economy, which ranges from illegally imported textiles, to unlicensed eateries, to illicit narcotics production and gold mining. Expanding sustainable, licit, economic opportunity and prosperity within the country will entail diversification of the Bolivian economy, increased trade and investment, and tackling transnational crime. Despite the difficult bilateral relationship and negative messaging toward the United States, commercial ties have continued developing. Although U.S. businesses are often shut out of opportunities to work with state-run enterprises, other potential areas for cooperation can be found in commercial issues and areas that address global challenges. We will seek opportunities to encourage changes to these policies.

Safeguarding the safety and security of U.S. citizens in Bolivia is a top priority. Natural disasters are common in Bolivia, with neither a tourism sector nor emergency response sector well-equipped to handle the regular droughts, forest fires, flooding, and occasional earthquake. This lack of readiness endangers both U.S. residents and tourists, and the difficulty in coordinating with our Bolivian government counterparts can inhibit our ability to assist them effectively during crises. Emergency preparedness and response is an area of mutual interest and one in which there is substantial opportunity for cooperation at every level of government. We will focus our efforts on regions of the country that are most impacted and seek to explore areas for cooperation that address climate-related challenges.

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Bolivia has low levels of personal crime, with a homicide rate well below the regional average. However, there is a growing concern about increased criminality, especially a recent increase in femicides, partly because public resources have been strained during the COVID-19 pandemic. Production of coca leaf is legal in Bolivia, and the country is a known source and transit country for cocaine and other illicit drugs that are mostly destined for Brazil and Europe but may also find their way to the United States. Bolivia values coca production as cultural patrimony while seeking to curb illegal surplus coca and to curb narcotraffickers – though it is sensitive to outside interference in its domestic affairs. We will prioritize working with international partners, such as the United Nations, Bolivia’s South American neighbors, and the European destination countries, to diminish not only narcotics trafficking but the often-parallel phenomena of trafficking in arms and people, money laundering, and the environmental devastation that accompanies these criminal activities.

The COVID-19 pandemic has opened venues for greater cooperation between the United States and Bolivia. U.S. health assistance, primarily from USAID, and vaccine doses donated by the United States through the COVAX mechanism have been positively received. The biggest room for a cooperative bilateral security relationship will be through humanitarian assistance, which can serve as a mechanism to improve our bilateral relationship with Bolivia. We will continue to seek ways to expand areas for cooperation and maintain the Bolivian public apprised of our successes.

Over the next five years, we hope to rekindle our historically multifaceted bilateral relationship to a level that will advance mutual interests and rebuild trust between our governments. A deliberate pace will be best to ensure the relationship is built on a solid foundation.

2. Mission Strategic Framework

Mission Goal 1: A stable Bolivia that works towards strengthening democratic institutions and human rights and can withstand adverse influences.

- **Mission Objective 1.1:** The government makes progress towards strengthening democracy, especially by focusing on good governance, the rule of law, allowing conditions for a multi-party democratic system, and countering harmful influences from foreign actors.
- **Mission Objective 1.2:** Bolivians increasingly respect, defend, and promote human rights and inclusivity, especially those of women, Afro-Bolivians, lowland indigenous people, LGBTQI+ communities, political opponents, migrants, and refugees.

Mission Goal 2: Bolivia builds a strong and diversified economy, becoming a more self-reliant, sustainable, and valuable economic partner for the United States.

- **Mission Objective 2.1:** Bolivia develops economic policies that respect how the private sector and market-driven systems contribute to equitable development, strong environmental protections, and a rules-based system.
- **Mission Objective 2.2:** Secure trade and investment opportunities for U.S. businesses in Bolivia by strengthening bilateral commercial, entrepreneurial, and academic relationships.

Mission Goal 3: Bolivia is an increasingly reliable partner in combating transnational crime and other threats to U.S. national security.

- **Mission Objective 3.1:** Increased collaboration with Bolivian authorities and other security partners to combat organized crime, transnational crime, and visa fraud strengthens U.S. national security.
- **Mission Objective 3.2:** Bolivian military and law enforcement institutions accept role in furthering rule of law and international best practices to combat security threats.

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Mission Goal 4: Bolivia is a better partner in combatting global challenges.

- **Mission Objective 4.1:** Bolivia is better able to protect the environment and the lives of U.S. and Bolivian citizens through enhanced disaster preparedness, management, and risk mitigation capabilities.
- **Mission Objective 4.2:** Bolivia has improved capacity to prevent and respond to health crises, infectious disease threats, and to combat the COVID-19 pandemic.
- **Mission Objective 4.3:** Bolivia improves its efforts to tackle the climate crisis and embraces climate change adaptation measures.

Management Objective 1.1: U.S. embassy creates a healthy, safe, and equitable environment for all by achieving 100% Security, Health, and Environmental Management (SHEM) compliance, advancing respect and understanding of DEIA in the workforce, and promoting diversity in the hiring process.

Management Objective 1.2: Improved IT infrastructure to support a potential expansion of post personnel related to increased engagement with the Bolivian government.

3. Mission Goals and Objectives

Mission Goal 1: A stable Bolivia that works towards strengthening democratic institutions and human rights and can withstand adverse influences.

Description: Mission Bolivia seeks to engage President Arce, key figures in all branches of government and across the political spectrum, and civil society organizations to strengthen democratic institutions, promote citizens' constructive participation in and oversight of public decision-making processes, increase the government's capacity to respond to the population's needs, and support the rule of law. Mission Bolivia will continue to prioritize engagement with the general public via public diplomacy to highlight the benefits of democratic values.

Objective 1.1: The government makes progress towards strengthening democracy, especially by focusing on good governance, the rule of law, allowing conditions for a multi-party democratic system, and countering harmful influences from foreign actors.

- **Justification:** Democracy faces several challenges in Bolivia. Power is concentrated in the ruling Movement Towards Socialism party. The judicial system is corrupt and lacks independence. Journalists are persecuted. There is a lack of investigation and accountability for violence against women and LGBTQ+ persons, which fosters societal instability. The lack of transparency among government institutions enables corruption, cronyism, and impunity, all of which are detrimental to sustained democratic growth.
- **Linkages:** Interim National Security Strategy Guidance, draft State-USAID Joint Strategic Plan Goal 3 (Strengthen Democratic Institutions), and WHA/LAC bureau-level Joint Regional Strategy Objective 1.3 (Strengthen Judicial Systems and the Equitable Application of the Rule of Law)
- **Risks:** If the Bolivian government fails to make progress towards strengthening democracy, corruption is likely to increase, triggering political instability and further eroding public confidence in institutions. The Mission seeks to mitigate that risk through continued engagement with government officials, politicians from all political parties, civic organizations, and public messaging in support of democratic values.

Objective 1.2: Bolivians increasingly respect, defend, and promote human rights and inclusivity, especially those of women, Afro-Bolivians, lowland indigenous people, LGBTQI+ communities, political opponents, migrants, and refugees.

- **Justification:** Significant human rights issues include credible reports of harsh and life-threatening prison conditions, restrictions on free expression, the press, and other media, including violence against journalists, serious government corruption, lack of investigation and accountability for violence against women, crimes targeting LGBTQI+ persons, and some of the worst forms of child labor.
- **Linkages:** Interim National Security Strategy Guidance, draft State-USAID Joint Strategic Plan Objective 3.2 (Equity and Inclusion), and WHA/LAC bureau-level Joint Regional Strategy Objective 2.2 (Advance Racial and Gender Equity).
- **Risks:** Failure to increase Bolivians' respect for marginalized groups would significantly hinder efforts to become a more stable, prosperous democracy. The Mission seeks to mitigate this risk through routine engagement with government officials and civil society activists, as well as public messaging in support of diversity, inclusion, and human rights.

Mission Goal 2: Bolivia builds a strong and diversified economy, becoming a more self-reliant, sustainable, and valuable economic partner for the United States.

Description: Although Bolivia's economic growth has been consistently strong throughout the last decade, it remains one of the poorest countries in the Western Hemisphere. U.S. exports of goods to Bolivia supported an estimated four thousand U.S. jobs in 2015. The U. S. exported goods to Bolivia totaling \$566 million in 2020 and \$580 million in 2021. The U.S. imported \$296 million in 2020 and \$522 million in 2021. Market-oriented reforms could provide increased opportunities for U.S. companies to export to, and invest in, Bolivia. Strengthening commercial, entrepreneurial, and academic relationships could facilitate reforms and trade. Stronger bilateral commercial and investment ties could help mitigate against Bolivia's slowing economy, with growth expected to decline to four percent or less in 2022. Bolivia will also face economic headwinds with the ongoing pandemic and Russia's invasion of Ukraine, the latter of which has destabilized the global economy. The conflict has raised commodity prices, crucially with food staples and energy, that threaten to turn Bolivia into a net importer of hydrocarbons.

Objective 2.1: Bolivia develops economic policies that respect how the private sector and market-driven systems contribute to equitable development, strong environmental protections, and a rules-based system.

- **Justification:** Highlighting the advantages to the U.S. model offers an alternative to Bolivia's ideological alignment to import-substitution and state-directed models that lack transparency and limit the private sector's role in generating growth and employment. As Bolivia's economy is highly dependent on extractive industries, a key to sustainable economic development is economic diversification. Mission Bolivia seeks to work with Bolivian entrepreneurs to generate economic opportunities for Bolivians.
- **Linkages:** Interim National Security Strategy Guidance, Draft State-USAID Joint Strategic Plan (JSP) Objective 2.2 (Inclusive and Sustainable Economic Growth), Draft WHA/LAC bureau-level Joint Regional Strategy (JRS) Objective 4.1, and National Gender Strategy

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- **Risks:** Without economic structural changes that improve the business and investment environment, the Bolivian economy will likely deteriorate in the coming years. Bolivia's vulnerabilities include a dependence on the hydrocarbon and mining sectors, consistent fiscal deficits, declining foreign reserves, an overvalued fixed exchange rate, and the smuggling of contraband that undermines local industry and encourages informalization. Bolivia also heavily subsidizes key commodities whose prices are rising with Russia's invasion of Ukraine, especially oil prices that have raised the fiscal costs of maintaining fixed domestic prices for fuel. Inflationary pressures threaten to further destabilize the Bolivian economy and could trigger social unrest.

Objective 2.2: Secure trade and investment opportunities for U.S. businesses in Bolivia by strengthening bilateral commercial, entrepreneurial, and academic relationships.

- **Justification:** Some of Mission Bolivia's most successful, engaging and rewarding relationships with Bolivians are within the commercial, entrepreneurial, and academic sectors. Bolivia's agricultural and meat sector are among the few that continued to grow during the pandemic and offer opportunities for further trade. Bolivia's nascent lithium sector also has the potential to transform the economy and drive further development, making a transparent and rules-based tender process all the more critical. Continued cooperation and outreach to these sectors of society strengthen U.S.-Bolivian bonds while demonstrating the tangible benefits of maintaining the U.S. as a preferred partner.
- **Linkages:** Interim National Security Strategy Guidance, Draft State-USAID JSP Objective 2.1 (Economic Governance), and Draft WHA/LAC bureau-level Joint Regional Strategy (JRS) Objective 4.2.
- **Risks:** As a landlocked country with difficult terrain, Bolivia already struggles to access global supply chains. Russia's invasion of Ukraine has also raised transportation and logistical costs, further destabilizing global trade. Failing to address market access and investment barriers will damage Bolivia's reputation and discourage foreign investment and trade, further isolating Bolivia from international markets.

Mission Goal 3: Bolivia is an increasingly reliable partner in combating transnational crime and other threats to U.S. national security.

Description: Organized crime, transnational crime, and visa fraud with a nexus to Bolivia threaten U.S. national security. Developing a greater understanding of these threats and increasing Bolivia's ability and willingness to combat them will enhance U.S. national security and increase security throughout the region.

Mission Objective 3.1: Increased collaboration with Bolivian authorities and other security partners to combat organized crime, transnational crime, and visa fraud strengthens U.S. national security.

- **Justification:** The United States has a clear national security interest in strengthening Bolivia's ability to target, disrupt, and prosecute transnational criminal organizations that operate within its borders. Bolivia must support strong and effective security institutions with the capacity to target transnational criminal organizations. Bolivian authorities tend to reject direct assistance from the United States, so robust engagement through the multilateral organizations and other international partners is essential.
- **Linkages:** Interim National Security Strategy Guidance, Draft State-USAID Joint Strategic Plan Objective 1.4 (Peace and Security) and the WHA/LAC bureau-level Joint Regional Strategy Objective 3.4 (Counter Transnational Criminal Organizations).
- **Risks:** Failure to increase collaboration with Bolivian authorities or other security partners could lead to a rise in transnational crime that threatens U.S. citizens and interests. Mission Bolivia will mitigate that risk through strategic engagement with the Bolivian government and key international partners.

Objective 3.2: Bolivian military and law enforcement institutions accept role in furthering rule of law and international best practices to combat security threats.

- **Justification:** The Bolivian government has increasingly politicized its military and law enforcement institutions. Politicized security forces hinder effective cooperation on security issues of national security interest to the United States. It also increases political instability by diminishing public trust in national security institutions.
- **Linkages:** Interim National Security Strategy Guidance, Draft State-USAID Joint Strategic Plan Objective 1.4 (Peace and Security) and WHA/LAC bureau-level Joint Regional Strategy Objective 3.2 (Build Safe Communities).
- **Risks:** If Bolivian security forces fail to accept their role in furthering the rule of law or fail to adapt international best practices, political instability may rise, leading to a collapse in public order and a rise in human rights abuses. The mission will mitigate that risk through continued engagement with Bolivian officials and partners in the region.

Mission Goal 4: Bolivia is a better partner in combatting global challenges.

Description: Bolivia is subject to a wide range of environmental disasters, including forest fires, floods, and occasionally, earthquakes. These disasters, both natural and manmade, impact Bolivia's economic prosperity and social development. Bolivia is in the top 15 most biodiverse countries in the world and hosts part of the Amazon rainforest. Deforestation — either through land grabbing, illegal logging, or wildfires — is the primary source of Bolivia's greenhouse gas emissions and can lead to social unrest and food and water insecurity. Mission Bolivia seeks to work more closely with Bolivia to protect U.S. citizens and strengthen U.S. security through climate change initiatives, by supporting a stronger disaster management system, and ending the COVID-19 pandemic while preventing future infectious disease threats. The United States is a global leader in science and technology, and we will encourage Bolivia to implement safe and secure technological solutions to address global challenges, including in cybersecurity.

Objective 4.1: Bolivia is better able to protect the environment and the lives of U.S. and Bolivian citizens through enhanced disaster preparedness, management, and risk mitigation capabilities.

- **Justification:** Disaster mitigation, preparation, and response requires cooperative relationships with and between the Bolivian government, NGOs, and the private sector. Official engagement in this realm strengthens our ability to safeguard U.S. citizens in Bolivia, protect U.S. interests, and promotes a positive perception of the United States.
- **Linkages:** Interim National Security Strategic Guidance, which directs us “to protect the security of the American people,” from “threats like climate change, infectious disease, cyberattacks, and disinformation that respect no national borders.”
- **Risks:** Failure to adequately prepare for, mitigate, and manage natural disasters could cause an increase in deaths. By not protecting the environment, people can exploit inadequate protections and trigger more manmade disasters.

Objective 4.2: Bolivia has improved capacity to prevent and respond to health crises, infectious disease threats, and to combat the COVID-19 pandemic.

- **Justification:** The COVID-19 pandemic has had deep negative consequences on the growth and development of society and both local and global economies. Establishing a close health collaboration relationship with Bolivia will support a more secure global health system, protecting the United States' safety, health, and security.
- **Linkages:** Interim National Security Strategic Guidance, Draft State-USAID JSP Goal 1: "Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being."
- **Risks:** If Bolivia's capacity to prevent and respond to health crises or other infectious disease threats is not improved, hospitals can be overwhelmed, and the health system can fail to respond. Other infectious diseases can spread and contagion increase devastating the economic and social systems.

Objective 4.3: Bolivia improves its efforts to tackle the climate crisis and embraces climate change adaptation measures.

- **Justification:** The climate crisis is at the forefront of U.S. foreign policy and national security planning. As a global challenge, the United States cannot mitigate the climate crisis alone. More than 85 percent of the greenhouse gas emissions come from beyond our borders. Deforestation and land use change are the leading sources of greenhouse gas emissions in Bolivia.
- **Linkages:** Interim National Security Strategic Guidance, Draft State-USAID JSP Goal 1: "Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being."
- **Risks:** Climate change is affecting Bolivia's food and water security. Manmade deforestation can cause social and political unrest.

4. Management Objectives

Management Objective 1.1: U.S. embassy creates a healthy, safe, and equitable environment for all by achieving 100% Security, Health, and Environmental Management (SHEM) compliance, advancing respect and understanding of DEIA in the workforce, and promoting diversity in the hiring process.

- **Justification:** The Marine Security Guard Residence (MSGR) is currently in a leased residence but will move to a Government Owned residence with ample security at the end of calendar year 2022. Finalizing the purchase of the Chief of Mission Residence (CMR) will save the U.S. government money in the long-term and guarantee a secure, built-to-specification CMR for the chief of mission.
- **Linkages:** The Bureau of Overseas Building Operations mandates that all facilities are in prime condition and physically secure. The new MSGR is in a residential area that can accommodate technical security equipment and ensure the safety of the detachment in a location that allows for ingress and egress from two sides.
- **Risks:** MSGR renovation risks are minimal and acceptable and are dependent on construction schedules and delivery of building materials, which continue to be affected by COVID-19.

Management Objective 1.2: The Embassy aims to Improve IT infrastructure to support all diplomatic programs and a potential expansion of post personnel related to increased engagement with the Bolivian government.

- **Justification:** Current IT infrastructure is nearly 30 years old and is not capable of supporting an increase in personnel.
- **Linkages:** The Department of State's IT mission exists in direct support of all diplomatic goals and programs, which includes projects to expand post's communication and IT capabilities.
- **Risks:** The level of risk is considered minimal and will not undermine operations for the foreseeable future.