

Plurinational State of Bolivia

Country Programme Evaluation

Executive Summary

1. **Evaluation objectives.** This is the second country programme evaluation (CPE) for the Plurinational State of Bolivia conducted by the Independent Office of Evaluation of IFAD (IOE) since the outset of IFAD operations in the country in 1979. The first CPE in 2005 covered IFAD operations from 1980 to 2004.¹
2. In line with the IFAD Evaluation Policy (2011) and the Evaluation Manual: Methodology and Processes (2009), this CPE's main objectives are to: (i) evaluate the performance and impact of IFAD-funded operations in the country; and (ii) generate a series of findings and recommendations to serve as building blocks for the formulation of the forthcoming country strategic opportunities programme (COSOP), to be prepared by IFAD and the Government after the completion of the CPE.
3. As with all CPEs, in addition to analysing the project portfolio, this CPE assessed non-lending activities – knowledge management, policy dialogue and partnerships – as well as the performance of the 2007 COSOP in terms of its relevance and effectiveness.
4. **IFAD operations.** Since 1979, IFAD has approved 12 loans to the Plurinational State of Bolivia, nine of which are closed and three ongoing. IFAD's total contribution amounts to US\$112.7 million. Donors have provided US\$37.4 million, and the Government and beneficiaries US\$42 million in counterpart funding. Total portfolio cost is US\$192.2 million.
5. **Evaluation coverage.** This evaluation covers the period 2005-2012, including the COSOP approved in 2007. The following five loan-funded projects have been assessed by the CPE: (i) Small Farmers Technical Assistance Services Project (PROSAT); (ii) Management of Natural Resources in the Chaco and High Valley Regions Project (PROMARENA); (iii) Enhancement of the Peasant Camelid Economy Support Project (VALE); (iv) Plan VIDA-PEEP to eradicate extreme poverty – Phase I: Pilot Project to Strengthen the Capacity of Communities and Families Living in Extreme Poverty in Cochabamba and Potosí (PLAN VIDA-PEEP); and (v) Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia (ACCESOS). The evaluation also assessed seven grants for a total amount of US\$6 million.
6. **National context.** The Plurinational State of Bolivia comprises an area of 1,098,581 km². In 2012, the population was 10.03 million. Over the past 25 years, the country has undergone many political and economic changes. Most recently, under President Evo Morales, who has been in office since 2006, the state has been assigned a key role in the country's development. The main thrusts of this administration have been reducing poverty, improving food security and combating inequality and social exclusion.
7. Major reforms under President Morales include nationalizing mining and hydrocarbon resources, telecommunications and electricity; and introducing a new tax policy for the gas and hydrocarbon sector. With regard to expenditures, his administration has assigned a higher priority to social sectors (education and health care) and has launched three direct cash transfer programmes targeted at the poorest and most vulnerable populations. These programmes support primary education, pregnant mothers and children under two years of age, and social protection for people over 65. The increase in spending has been funded by the

¹ www.ifad.org/evaluation/public_html/eksyst/doc/country/pl/bolivia/bo.pdf.

hydrocarbon tax reform and high international prices for oil and gas over the past decade. From 2006 to 2012, growth in GDP averaged 4.7 per cent per annum.

8. Major accomplishments have included: (a) at the macroeconomic level – creating fiscal surpluses, reducing public debt, maintaining macroeconomic stability and reducing vulnerability to external shocks; and (b) at the social level – reducing moderate and extreme poverty by 20 per cent in both urban and rural sectors, reducing income inequality, and improving education and health care. Despite the strides made, the same problems that existed when President Morales came to power persist, although to a lesser degree: high levels of poverty and food insecurity, particularly in rural areas, where extreme poverty runs at 41 per cent; and income and gender inequality.
9. Growth in agriculture took place in the commercial sector, and mainly in export agriculture. Smallholder agriculture has shown little expansion, in part owing to physical constraints: farms are located in highlands and valleys where the environment is deteriorating, owing to less-fertile soil, increasingly limited water resources and desertification. Agricultural productivity is the lowest in South America and has declined, on average, over the past 15 years. Reasons for such low productivity may include degradation of natural resources and advancing desertification, but there are also factors related to educational levels and health conditions in rural areas, high commercial costs (e.g. for transportation and marketing due to underdeveloped markets), limited infrastructure, little research and extension, and poorly developed financial markets.

Project portfolio

10. **Relevance** of the project portfolio overall is rated moderately satisfactory. During the period reviewed, besides three ongoing projects (the PROSAT, PROMARENA and VALE), two more projects had just started operations (the PLAN VIDA-PEEP and ACCESOS) and their disbursement rate was still slow. IFAD has provided some US\$53 million in loans toward these projects, for a total cost of US\$97.9 million. The five projects are intended to improve the incomes, assets and living conditions of poor rural people. This overall objective is consistent with the policies of the Government, IFAD's policies and the needs of poor rural people. Under this broad view, the objectives of all five projects are relevant and are aligned with COSOP objectives. Continuity in the broad objectives and priorities of projects in the portfolio was observed during the evaluation period (2005-2012), comprising three main aspects: a focus on increased smallholder productivity and production, sustainable management of natural resources and the creation of a market for technical assistance services.
11. Despite the relevance of these interventions, their design underestimated certain key aspects. Support for production was channelled through the funding of technical assistance linked to business proposals formulated by producers' groups for producing and commercializing their goods. However, project design underestimated problems faced by smallholder groups in using business proposals, and projects ended up supporting ad hoc groups set up to receive project benefits, rather than sustainable producers' groups. In order for these groups to survive, a longer path needed to be taken, which should have included improving their management skills, something that the projects did not foresee. Another limitation was a focus on support to business proposals through technical assistance alone, rather than including other factors that would have made it possible to improve production systems, such as profitability, access to markets and financial services, logistics costs, and commercialization and infrastructure problems.
12. Programme design rightly highlighted the importance of natural resources and the environment in a country where their management and conservation are beset with serious problems. Nevertheless, design showed some limitations in this regard and projects did not always pay sufficient attention to natural resource and

environmental management. In the case of the PROMARENA, the project responded to the needs of smallholders settled on degrading land by promoting the management and sustainable use of natural resources through incentives and training. However, opting to work mainly at the plot level limited the area coverage, which stood in the way of achieving an effective and sustainable environmental impact, for instance in terms of water management. Moreover, design failed to take into account the deterioration of collectively owned resources – particularly forage, forests and unprotected, overused water sources – and the role of regulatory authorities. In the case of the VALE, the project design did not include measures to reduce overgrazing – such as improving pasture management and increasing forage supply – and thus prevent environmental damage caused by larger herds. The ACCESOS took up the lessons of the PROMARENA and corrected the above failings in terms of area coverage.

13. One positive aspect of programme design is the self-management and open competition approach, which includes defining interventions based on demand from communities, using direct transfers, managing funds within communities and using tools such as contests and calls for business proposals. The portfolio's geographical targeting has been appropriate in that projects have been active in the poorest and most vulnerable municipalities and in areas affected by natural resource degradation and lack of technical assistance services. Nevertheless, projects have tended to encompass broad geographical areas, underestimating the difficulty of covering populations scattered over vast territories. The poverty targeting approach selected also poses an unresolved tension between concentrating on the poorest without potential for market inclusion or on groups that have potential to improve production and establish the required market linkages.
14. **Effectiveness** of the portfolio was also moderately satisfactory. This finding is based on a review of the results of three projects: the PROSAT and PROMARENA (both closed) and the VALE, which is in a fairly advanced stage of implementation. The three projects have funded support for production and development of rural businesses and services (60 per cent of their cost, excluding management costs), natural resource management (28 per cent), and institutional strengthening, capacity-building and support to investment in the camelid economy (12 per cent). In general, quantitative targets were achieved, in spite of implementation delays – partly as a result of the extension of project duration and expansion of geographical coverage following project reformulation.
15. The business support provided reached more beneficiaries than expected and targets were exceeded. One highlight – emerging from data from the VALE project – is the high level of net private benefits granted and the short life of the enterprises funded – an indication that incentives are structured to develop enterprises of short duration. As to the management of natural resources, support provided enabled users to manage 91,000 hectares using better techniques and sustainable practices, and at least two of these sustainable practices were adopted by each participating family (reflecting the established target). However, the target of managing 178,000 hectares was not met, probably owing to the limited area coverage mentioned above and low participation by the poorest farmers. It is not known whether the objective of increasing plant cover by a certain percentage was achieved, as there was no reliable baseline and the indicator was not monitored. On the whole, virtually all targets were achieved, indicating that the system was successful in implementing activities, but not very effective at translating them into the desired results, mainly for the design weaknesses mentioned above and delays in project implementation or institutional strengthening, one important element was developing a market for technical assistance. To this end, the PROSAT trained some 37,000 producers – well in excess of the target of 6,500 – so as to create a pool of technical assistance providers that would eventually sell their services to farmers. The evaluation confirms the portfolio benefits in terms of learning,

exercising citizen rights and exchanging experiences. As in the case of natural resource management, activities performed exceeded the targets, but did not achieve the desired end result, which was to create a private market for technical assistance.

16. **Efficiency** was moderately unsatisfactory. The activities analysed were implemented inefficiently for three reasons. First, projects began implementation about 24 months, on average, after approval by the Executive Board. Second, project management costs took a larger share than had been budgeted. Third, the sustainability of actions under the portfolio's most important component – business support – was low, as a large proportion of the groups established disappeared after project closure, because they no longer had the required incentives to remain operational. This means that the structure of incentives promotes the creation of occasional groups whose main objective is to obtain funding for new endeavours, rather than groups that will remain after the project has concluded.
17. In terms of **rural poverty impact**, programme results were positive overall, but benefits were fewer than projected and barely sustainable. Although their statistical representativeness is not well documented, the results of beneficiary surveys show an increase in household incomes and assets, as well as food consumption – but the stated increase was limited.
18. Impact on the social and human capital of communities was satisfactory and received the highest rating in this evaluation. Projects jointly brought intangible assets such as improvements in self-esteem, citizenship, self-management, empowerment, access to elected office and gender equality. One positive aspect of portfolio design is the focus on self-management and competition already mentioned. Beneficiaries feel empowered and undertake initiatives they would not have taken on before, such as opening bank accounts and making use of the financial system. In particular, women – who have always managed a large part of on-farm production – take on higher visibility and power within the family and the community. One popular practice was training producers by using hands-on learning conducted by experienced local smallholders.
19. Beneficiaries increased their capacity for and knowledge of sound natural and environmental resource management. Nevertheless, the desertification process persists in programme areas, in particular owing to a focus on the family plot rather than on larger territories that has not allowed to incorporate an ecosystem perspective within the context of climate change. With respect to institutions and policies, the most influential programme arrangement was direct transfers to smallholders in the form of subsidies to pay for technical assistance – the main thrust of the IFAD interventions. Subsidies were intended to promote a market for technical assistance, but achieved this only in the short term. The market was no longer sustained once the subsidies to farmers ceased. Overall, the CPE assessed rural poverty impact as moderately satisfactory.
20. Prospects for the projects achieving **sustainability** are moderately unsatisfactory. With respect to productive undertakings, the evidence presented shows that sustainability of the business proposals is about 30 per cent. Project reports observe that the groups with the longest life are producers' groups organized before the projects, and they highlight the importance of continued support and incentives. Time allowed for support was insufficient to ensure the adoption of techniques, productive and commercial arrangements and consolidation of groups, and projects underestimated the challenges to these groups in achieving effective operations. Moreover, projects appear not to have designed exit strategies – they did not even clarify the role of the Government in consolidating results and benefits after project closure.

21. However, evidence was found of adoption of sustainable natural resource management practices, creation of sustainable assets on family plots, and strengthening of human and social capital. In the case of the PROMARENA, the focus on creating physical assets for the adoption of appropriate natural resource management techniques generally contributed to guaranteeing the value of such assets and ensuring future continuity to productive activities. Techniques were simple, linked to local knowledge and taught using local approaches that also sought to promote environmental sustainability. In addition, most intangible assets in human and social capital remain available to the poor rural people who participated in the projects.
 22. **Capacity for innovation and scaling up** has been moderately satisfactory. The portfolio used innovative approaches in valuing and developing the productive potential of poor populations. Activities included: promoting the farmer-to-farmer system; motivating and training local talent; making direct transfers to smallholders, together with self-management of technical assistance; and a methodology of contests for natural resource management and competitive calls for business proposals. Numerous innovations and technologies were also adopted for prevailing farm production systems such as fish farming, family kitchen gardens, improved cooking stoves, soil conservation techniques and animal health practices.
 23. However, IFAD's support fell short in systematizing these successful experiences, especially during implementation, and in promoting their scaling up. For example, little consultation took place during the project life cycle, with municipalities, central government and donors, on the potential for scaling up successful experiences and related enabling conditions. One constraint was that monitoring and evaluation (M&E) systems were unable to provide data on the impact of innovations introduced. In addition, the portfolio results, which are positive overall but limited, need to be consolidated – and this complicates the potential for scaling up.
 24. Promotion of **gender equality and women's empowerment** has been moderately satisfactory. Gender issues took on greater importance in project strategies over time, and portfolio activities have helped improve women's standards of living and social position through improvements in family nutrition and women's greater participation in family businesses. Women have more power as a result of the public funding received through natural resource management contests and their business proposals and of the information and knowledge acquired, both in decision-making and in their relations with authorities, institutions and buyers of their products. This has led them to develop greater leadership within their families and to increase their participation within the community, for instance in leadership positions in community organizations.
 25. It is noted that gender data in the M&E system are scarce and focus more on women's participation in activities than on results. Moreover, the M&E systems mostly measured quality rather than quantity, and results risk being forgotten unless experiences and lessons are properly documented and disseminated. Above all, projects do not appear to have paid sufficient attention to the expected final impact of activities on women or to women's productive potential and the related constraints – such as access to markets, land and other assets, and the distribution of benefits and workload within the home, in line with IFAD's corporate gender strategy.
- Non-lending activities**
26. The 2007 COSOP calls for ambitious **policy dialogue** on a wide range of policies to achieve the COSOP's objectives. However, no such dialogue took place. Among other reasons, this was attributable to IFAD's limited financial contribution to the Plurinational State of Bolivia and the absence of a permanent country presence in

the past, something that would have allowed effective engagement in policy dialogue. IFAD also lacked the means to properly engage in policy dialogue. For instance, it had few successful project results and stories to share, and did not undertake much analytical work on smallholder farming in the country. Ultimately, policy dialogue was limited to a few issues emerging from IFAD-financed projects, even though some encouraging results were obtained, as already explained, in connection with direct transfers and the competition methodology.

27. With respect to **knowledge management**, ad hoc interventions allowed some knowledge to be gathered and disseminated, but these efforts did not form part of a strategy to document and disseminate information, experiences and lessons systematically. As a result, the accumulated experience was not used to inform policy dialogue or scaling up of impact. New projects supported by IFAD were largely designed without incorporating such experience. This is also due to weak M&E systems and major changes in the political and institutional context during the evaluated period. Nevertheless, efforts have been made in recent years to gather positive experiences and incorporate them into projects. Finally, on a related point, results, good practices and experiences from grant-funded activities were generally not incorporated into loan-funded operations.
28. **Partnership-building** was difficult owing to the lack of a permanent country presence. IFAD maintains close relations with the Ministries of Development Planning and of Rural Development and Land, but paid little attention to building partnerships with other institutions implementing investment programmes of interest to the IFAD-supported programme, both at national and decentralized levels.
29. Despite recent improvements, cooperation agreements with multilateral and bilateral donors – the World Bank, European Union and Spain – have been affected by delays in implementing the projects concerned. The recent opening of an IFAD country office in La Paz offers a chance to seek greater opportunities to identify partnerships in cofinancing operations, policy dialogue and other areas of common interest. Indeed, greater coordination and collaboration with the Food and Agriculture Organization of the United Nations and World Food Programme have taken place since the opening of the office – for instance on gender and youth.
30. All in all, the CPE assesses the performance of non-lending activities as moderately unsatisfactory.

Partner performance (IFAD and the Government)

31. With respect to programme management, the Government and IFAD pursued relevant objectives; however, the instruments used to achieve them were insufficient. The Government promoted reaching dispersed, isolated groups over a broad area. This approach made the programme less effective, since it resulted in providing more superficial coverage to each beneficiary and spending more to reach them. The Government was initially hesitant to have IFAD intervene in financial services and rural markets, but subsequently agreed. It showed the required flexibility in programme implementation by agreeing to the restructuring of projects when they were not functioning. Its performance as a partner is rated moderately satisfactory.
32. IFAD agreed to wider geographical coverage, in contrast to other donors that operate within smaller regions. It was flexible enough to adapt to changing institutional and political conditions and showed proactivity in resolving implementation delays. Once projects were restructured, they were implemented effectively and forged ahead. After trying out several approaches to project supervision, IFAD opened an office and appointed a representative in La Paz in 2012. Its performance as a partner is rated moderately satisfactory.

COSOP performance

33. **Relevance.** The IFAD-supported programme sought to improve the living conditions of the poorest people in rural areas. The 1998 COSOP identified at least seven areas of potential collaboration with the Government, without presenting a clear diagnostic of sector problems, their causes and possible solutions. The projects put forward in the COSOP were intended to address specific "concerns", with no explanation of how the lending programme would help resolve such concerns. The 2007 COSOP presented a more complete view of the Bolivian rural sector and defined its objectives as follows: (i) "enhancing the livelihood assets of the rural poor and promoting the adoption of technological and knowledge innovations by supporting the access of the poor to a wide range of services"; and (ii) "promote integrated and sustainable management and development of natural resources in defined territorial areas, with due regard for sociocultural issues ". These objectives were a response to the country's needs and were consistent with the Government's policy and the IFAD Strategic Framework 2007-2010, as well as the needs of poor rural people. However, the COSOP did not clarify the connection between the problems identified and the proposed solutions. In particular, it identified three groups to be supported, but did not define targeting criteria, depth of prevailing poverty or number of poor people to be reached. It also proposed that three new loans be developed, but these did not come about owing to limited interest by the new Government – except for the ACCESOS proposal, which was finally approved in 2011.
34. **Effectiveness.** To achieve its strategic objectives and reduce rural poverty, the COSOP relied on two main interventions/instruments: technical assistance and better management of natural resources. The technical assistance market was not developed as called for, and operated only as long as project support continued. The programme contributed to increasing the social and human capital of communities and people and to empowering women. In these communities, evidence showed that beneficiaries increased their income and assets to some extent, despite the low sustainability of some activities. Regarding natural resources, the COSOP's major contribution was to highlight the importance of the environment, the serious nature of the related issues, and existing weaknesses in environmental management and conservation. Multiple physical assets were created and family incomes were increased through sound soil and vegetation management practices. Other activities, such as business proposals and recovery of ancestral terraces, were less successful, in part because the benefits received by smallholders were less than the opportunity cost of the effort involved. Although achievements under this objective were positive, the programme had the expected impact only at the family level and not on a wider scale.

CPE overall assessment

	<i>Rating*</i>
Portfolio performance	4
Non-lending activities	3
COSOP performance	4
IFAD/Government partnership	4

* Rating scale: 6=highly satisfactory; 5=satisfactory; 4=moderately satisfactory; 3=moderately unsatisfactory; 2=unsatisfactory; 1=highly unsatisfactory.

Main conclusions

35. The IFAD/Government partnership was moderately satisfactory overall. The main accomplishments of this cooperation were as follows: (i) an increase in the incomes

and assets of households and the social and human capital of communities; and (ii) improved capacity of smallholders to manage natural resources. One positive aspect has been the focus on self-management and competition, whereby interventions are defined on the basis of demand from communities and funds are managed transparently within communities. The model was an innovation in rural areas and was relevant in identifying the knowledge requirements and aspirations of smallholders. In terms of institutions and policies, the most influential programme arrangement was direct transfers to smallholders in the form of subsidies to pay for technical assistance.

36. Programme impact was subject to two major constraints. First, the desertification process persists in the areas reached by the programme, in particular owing to a focus on the family plot rather than on broader territories. Second, although the intention was to use subsidies to promote a market for technical assistance, this was achieved in the short term only; the market for technical assistance services was not sustainable.
37. The fact that impact was positive but limited and poorly sustainable, except for the impact on human and social capital, is attributable to weaknesses in programme strategy and implementation. The 2007 COSOP attempted to achieve ambitious objectives with inadequate instruments. The most obvious failing was to make technical assistance the main thrust of country programme implementation, neglecting other aspects crucial to improving production and commercialization. Other programme limitations were: (i) weak relations with the territories in which it was implemented, particularly on environmental and economic issues; (ii) inability to define the target population for market-driven agricultural production; (iii) short-term support for technical assistance and no support for strengthening groups; and (iv) the attempt to reach all regions of the country despite limited financial resources.
38. Probably because of these reasons, together with institutional changes in the country during the review period and the lack of an IFAD country office until 2012, the programme did not adapt quickly enough to the changing country context to build partnerships with public programmes at both central and decentralized levels, or to take into account new economic opportunities in rural areas, such as remittances and off-farm employment. In terms of execution, the programme experienced implementation delays, lacked a sound M&E system and was unable to document lessons learned, which constrained IFAD's performance in non-lending activities and in scaling up.

Recommendations

39. The IFAD-supported programme needs to become more effective and more efficient if it is to achieve greater impact and sustainability in order to eventually be scaled up. To realize this improvement, greater efforts must be put into strategic design in several related aspects and in organizational and implementation issues.

Strategic recommendations

40. **Recommendation 1: Adopt a territorial approach.** The CPE recommends adoption of a territorial approach to adjust interventions to the characteristics and potential of each area or community and thus achieve significant results, for instance in terms of the environment or production. It also recommends building alliances with a range of actors for interventions at various levels – family, community, municipality, group of municipalities or indigenous territory.
41. **Recommendation 2: Develop a comprehensive strategy based on product lines and value chains.** The Government and IFAD should identify the value chains to be supported based on the potential for product lines in each territory. They should then take into account, in addition to the provision of technical assistance, key aspects such as institutional strengthening of local authorities and organizations for business management, leveraging investments with other

initiatives, providing financial services and financial education, and supporting access to value chains and markets.

42. **Recommendation 3: Seek greater alignment and synergies with national, regional and local public programmes.** It is recommended, in particular, to closely involve in project design those public sectors responsible for their implementation and expand the dialogue between IFAD and the Government to include new interlocutors responsible for other public programmes so as to explore potential partnerships under an inter-sectoral vision – for instance, the Ministry of Productive Development and Plural Economy or the Ministry of Environment and Water. It is also recommended that opportunities be sought for synergies with the public policy system in general at the territorial level – for instance in health and education.
43. **Recommendation 4: Define differentiated targeting of beneficiaries and adjust interventions and instruments accordingly.** The future programme and interventions will need to distinguish between populations that can, with some support, exit poverty within a relatively short time and those who need more sustained assistance. It is recommended that interventions be targeted with priority to people possessing productive potential – possibly including those having already received support under previous interventions. For the most vulnerable populations, it is recommended that consideration be given to instruments that enable greater achievements in food security and poverty reduction, such as nutrition programmes, microcredit or financial education, the latter relating to government direct transfer programmes or migrant remittances. It is also recommended that women's participation be stepped up in the context of affirmative action, and that specific interventions be targeted to indigenous people, with respect for their culture and identity, and to young people.
44. **Recommendation 5: Seek greater geographical concentration for interventions.** In view of IFAD's limited resources and the need to increase the programme's efficiency and effectiveness for future scaling-up, the evaluation recommends that efforts be concentrated in a few geographical areas, in favour of prolonged interventions, and in regions with the greatest number of poor people, in line with the objective of reducing rural poverty.
45. **Recommendation 6: Define a strategy for policy dialogue based on knowledge acquired and opportunities for scaling up.** In the context of the Government's new international cooperation policy, the CPE recommends that IFAD and the Government jointly define a strategy for dialogue based on the experience and results of IFAD-supported programme, and on an analysis of the main rural development challenges affecting programme performance. This strategy should clearly define the dialogue's objectives and IFAD's specific contribution, as well as establish continuity throughout M&E systems, knowledge dissemination, opportunities for scaling up project results and innovations, and partnerships with government agencies and other actors.

Organizational and implementation recommendations

46. **Recommendation 7: Find systemic solutions to programme implementation delays and inefficiencies.** The evaluation recommends that the Government and IFAD undertake a joint review of problems encountered in project effectiveness and implementation to seek systemic solutions, possibly looking to other financial institutions for inspiration. The following measures, inter alia, could be considered: submit new operations for Executive Board approval only once rapid Government approval and start-up have been assured; involve ministerial teams in outlining strategies for action during the pre-investment phase of projects; and include elements in design that can guarantee rapid effectiveness.
47. **Recommendation 8: Follow best practices in programme implementation.** It is recommended that proven best practices be followed, based in particular on the

implementation experience of the PROSAT: (i) provide the national coordination unit with technical, administrative and financial autonomy and locate it outside La Paz, in view of the territorial approach advocated; (ii) ensure that competitive staff recruiting includes an in-depth assessment of specific capacities and competencies, and consider regular external technical support to project teams; and (iii) involve the relevant authorities on issues of team remuneration and institutional sustainability of interventions after project completion.

48. **Recommendation 9: Set up sound monitoring and evaluation systems.** The evaluation recommends mobilizing funds, as of the design phase, to set up baselines before implementation begins, and subsequently in the relevant project budgets to assess impact. It is also recommended that values be assigned to such impact and that verifiable indicators be set in the appraisal documents and measured in project completion reports.

It is also important to include funding in IFAD's grants programme to help measure project impact and benefits using rigorous methods, as well as to strengthen M&E capacity at project and programme levels and coordinate efforts with national systems.

49. **Recommendation 10: Support IFAD's new country office in Bolivia.** A well-equipped office can effectively address key issues highlighted in this evaluation: a strategic approach and programme design; policy dialogue and combining instruments to promote scaling up; and implementation delays. The evaluation invites IFAD, both through the Latin America and the Caribbean Division and at the corporate level, to provide the support of senior management staff in the form of regular visits to the country; and to allocate sufficient financial and human resources to the office in La Paz, in particular for: (i) COSOP preparation and management; (ii) portfolio implementation, with a better balance in relation to resources allocated to design; and (iii) support staff.