

Plurinational State of Bolivia: Country programme evaluation

Agreement at Completion Point

1. This is the second country programme evaluation (CPE) conducted since the outset of IFAD-supported operations in Bolivia in 1979. Two main objectives were set for this CPE: (i) evaluate the performance and impact of IFAD-supported operations in Bolivia; and (ii) generate useful recommendations for preparing the future strategy for cooperation between IFAD and the Government of Bolivia.

2. This agreement at completion point (ACP) contains a summary of the CPE's main findings and recommendations.

3. This ACP has been reached between IFAD's Management (represented by the Programme Management Department) and the Government of Bolivia (represented by the Ministry of Development Planning) and reflects their understanding of the main CPE findings (see section B below) as well as their commitment to adopt and implement the recommendations contained in section C hereof within specified timelines.

A. Main findings

4. The CPE covers the 1998 and 2007 country strategic opportunities programmes (COSOPs), whose objectives were to increase farmers' assets and knowledge and promote better natural resource management. The review period (2005-2012) coincides with the changes that have taken place in Bolivia since 2006.

5. The 2007-2012 COSOP objectives were aligned with those of the Government and IFAD's strategic frameworks for 2007-2010 and 2011-2015. The strategy's backbone in practice was technical assistance, shifting from an initial approach of improving production (under the PROSAT project), to focusing on managing natural resources (PROMARENA), camelid livestock (VALE), combating extreme poverty (Plan VIDA), and back to prioritizing the environment and natural resource management under a territorial or area-based approach with a focus on production (ACCESOS). The strategic objectives and target group of poor farmers clearly defined in the COSOP are fully aligned with IFAD's rural development approach.

6. The results of the partnership between IFAD and the Government of Bolivia were overall positive but had a limited impact. The main achievements of this cooperation were: (a) an increase in household incomes and assets and in communities' social and human capital; and (b) farmers better trained to improve natural resource management. One positive aspect has been the self-management and open competition approach, which includes designing interventions driven by community demand and with community administration of funds. This model was a rural innovation and was relevant to identify the knowledge requirements and aspirations of small farmers. With respect to institutions and policy, the most important programme arrangement, in which the programme had an influence, was direct transfers to farmers in the form of subsidies to pay for technical assistance, the main thrust of IFAD interventions.

7. Programme impact was subject to two main constraints. First, the desertification process persists in the areas reached by the programme, mainly because of the emphasis on covering family plots rather than broader areas to build in an ecosystem perspective. Second, the attempt to use subsidies to promote a market for technical assistance was successful only in the short term and the technical assistance market did not materialize.

8. Collaboration in the form of non-lending activities showed some positive aspects, such as direct transfers and the competition methodology, but overall results fell below expectations, including in terms of dialogue between IFAD and the authorities on specific rural development issues. New knowledge was only occasionally disseminated and mainly as a result of ad hoc interventions that did not allow for proper collection and diffusion. This contributed to the Fund's poor visibility in Bolivia, particularly among the donor community, which aggravates when it comes to cooperating on projects, as IFAD-supported projects incurred significant implementation delays.

9. Despite clear strategic objectives, problems with resourcing and design affected programme performance. First of all, limited resources affected the quality of rural diagnostics and prevented effective action throughout the very large areas covered by the programme. The design lacked clarity in differentiating regions and groups warranting support. The programme did not specify whether it covered those regions with the largest number of poor people or those with the highest incidence of poverty, regardless of numbers. In practice, IFAD operations covered both, which did not help resolving ambiguity in targeting objectives. In terms of groups, no distinction was made between farmers possessing their own initiatives and motivation, and those needing social assistance for their livelihoods, a necessary distinction in order to decide where to intervene and select an effective approach in each case.

10. Second, the programme strategy pursued ambitious objectives with inadequate instruments. Having technical assistance as the main thrust prevented taking into account other contributing factors to rural development, such as the importance of markets and securing market access. Another aspect was limited synergy among different programme instruments – lending, non-lending activities and grants – and with other public investment programmes, e.g. relating to water resources, as well as the limited inclusion of past project experience in designing new ones. Finally, neither the programme nor the projects have an adequate monitoring and evaluation (M&E) system. As a result, it is difficult to measure programme impact on key aspects such as beneficiary incomes and assets, human capital and productivity.

B. Agreement at completion point

11. This section addresses recommendations prepared by the Independent Office of Evaluation of IFAD (IOE) and included in the CPE report.

12. Recommendation 1. Adopt a territorial approach and seek greater geographic concentration for interventions. The CPE recommends identifying local problems and intercommunity or regional problems to make a clear distinction between them and decide how to address them and which instruments to use. In other words, it is recommended that an area-based or territorial approach be adopted to tailor interventions to the specificities and potential of each area or community and achieve significant results – for instance, in terms of the environment or production. The evaluation also recommends partnership-building with a range of actors for interventions at the various levels – family, community, municipality, group of municipalities and indigenous territory.

Combining a comprehensive, targeted area-based approach with self-management is a complex undertaking and calls for extended timelines with intensive dedication by qualified human resources in order to achieve effective results. In view of IFAD's limited resources and the need to increase programme efficiency and effectiveness for future scaling up, the evaluation recommends concentrating efforts on a few geographic areas and favouring longer-term interventions.

In this context, it is necessary to determine whether the target population is located in regions with a higher incidence of poverty in relative terms, i.e. percentage of the population, or in regions where there are greater numbers of poor people in absolute

terms. If the objective is to reduce rural poverty, the evaluation recommends that actions be concentrated in regions with the largest numbers of poor people.

Proposed strategy: The current interventions have incrementally adopted an area-based approach and built strategic partnerships with the various actors, based on:

(i) the current project portfolio; (ii) support for regional programmes; and (iii) a more dynamic and flexible view of the project cycle.

The document extending the 2007-2012 COSOP calls for targeting under an area-based focus. The new COSOP to be placed before IFAD's Executive Board in April 2015 will take into account the National Development Plan, the Patriotic Agenda 2020-2025 and the sector plans of the various ministries involved in rural development and eradication of poverty and inequality – which clearly point to the need to generate comprehensive productive development while preserving ecological balance with Mother Earth. This regulatory framework must be considered in both current and future projects.

The strategies of the new COSOP 2015 also need to make clear reference to developing economic corridors since their management is logistically more operational and efficient, and they can bring about a more sustainable perspective. Differentiated support will be provided to ensure complementarity and equity in the distribution of benefits. These corridors may include more developed and less developed municipalities, where new project designs should call for differentiated cooperation as a course of action. In this way, different methodologies and instruments will be used to reach both the most disadvantaged and those with greater potential.

Deadline for implementation: Work has begun and will be ongoing.

Entities responsible for implementation: IFAD, Ministry of Development Planning and Ministry of Rural Development and Land.

13. Recommendation 2. Develop a comprehensive strategy based on product lines and value chains. Considering the multidimensional nature and complexity of rural poverty, it is important to define a strategy that builds in key aspects of effective support for developing agriculture and other market-oriented farmer activities.

The Government and IFAD should identify the production clusters, or value chains, to be supported based on the potential for product lines in each territory. Once these production clusters have been identified, consideration must be given to key aspects of providing effective support, in addition to providing technical assistance: institutional strengthening of local authorities and organizations in business management, leveraging investment with other initiatives, providing financial services and financial education, and supporting improved access to product clusters and markets.

Proposed strategy: Within the framework of a productive Bolivia, integrated production clusters represent a development strategy that expands into the social, cultural, political and environmental dimensions. In this way economic and social development can be promoted nationwide by generating, within production circuits, relations of distribution that favour the weakest segments of society and provide them with their fair share of the benefits derived from their labour.

In this sense, recommendation 2 refers to the need to develop a comprehensive intervention strategy based on product lines and integrated production clusters. The 2015 COSOP, in setting forth strategies for action, must be aligned with the sector policies of the following ministries: the Ministry of Rural Development and Land, the Ministry of Environment and Water, the Ministry of Productive Development and Plural Economy and the Ministry of Development Planning, among the most important. These ministries set forth the vision of developing integrated and/or area-based production clusters.

At present, the ACCESOS programme and the PLAN VIDA-PEEP project have undertaken steps to operationalize this strategy. Actions are directed to rural smallholders in order to build their capabilities – in terms of social, human and xxxvii

financial capital – and improve their participation in production clusters. In addition, the main focus of the PRO-CAMELIDOS design is support to families in the camelid production cluster. The aim is to improve users' participation and linkages with other public and private actors within the cluster, in order to achieve more equitable benefits for different actors in the production cluster and areas concerned.

Deadline for implementation: As of adoption of this recommendation, on an ongoing basis.

Entities responsible for implementation: Ministry of Planning and Ministry of Rural Development and Land, and programme/project implementation units.

14. Recommendation 3. Seek greater alignment and synergies with national, regional and local public programmes. This would be consistent with the spirit of the Paris Declaration on Aid Effectiveness and with the way IFAD support to the countries of Latin America has evolved. It would allow for more sustainable and sufficient impact by encompassing – through co-financing or parallel financing – all the elements of a more comprehensive area-based approach.

It is recommended, in particular, to closely involve in project design those sectors responsible for their implementation, while at the same time expanding the dialogue between IFAD and the Government to include new interlocutors responsible for other public programmes to explore possible partnerships under an inter-sector 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.

Proposed strategy: Lessons learned clearly show that building partnerships with actors in the area is an important element of any initiative, as sustainability is contingent upon the region's potential. Within this context, the core element in the design of new projects should be to generate synergies with other actors, both private and public. One of the principal actors in community development is municipal government, which must have the institutional capacity to coordinate actions within its municipality with the various institutions, projects, programmes, NGOs, foundations and other agencies active within the municipality and/or territory. This is important in order to build synergies, avoid duplicating effort and achieve tangible results and sustainable impact on the beneficiary population.

Deadline for implementation: As of adoption of this recommendation, on an ongoing basis.

Entities responsible for implementation: Ministry of Planning, Ministry of Environment and Water, Ministry of Productive Development and Plural Economy, Ministry of Rural Development and Land, programme/project implementing units, municipal governments and regional governments.

15. Recommendation 4. Define differentiated targeting of beneficiaries and adjust interventions and instruments accordingly. The future programme and related interventions will need to distinguish between people who can, with some support, exit poverty within a relatively short time and those who need more sustained assistance, including because of environmental degradation on their land. The selected instruments must also allow for a balance between support to specific groups of producers and support to the community.

Considering that development is a gradual process that unfolds in phases over time, 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 population groups, it is recommended

that consideration be given to ways of balancing value instruments – competitions, transfers and horizontal training – with instruments that enable greater achievements in food security and poverty reduction, such as nutrition programmes, microcredit or financial education – the latter in relation to government cash transfers 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 peoples, with respect for their culture and identity, and to young people.

Proposed strategy: Differentiated targeting of beneficiaries, with gender equity and inclusion of young people, should be a strategic element of the 2015 COSOP. Within the framework of progress made under interventions by IFAD and other donors, this will require differentiating between types of support to economically productive organizations on the basis of their experience and levels of development within the production cluster. In this context, the PRO-CAMELIDOS design reflects progress made hitherto, and calls for: competitions with different resource transfer modalities based on family circumstances under communal-level initiatives, differentiated specialized technical assistance and small investments for productive enterprise proposals and larger investments to address bottlenecks in the camelid production cluster, as well as tailored training and organizational strengthening. All of this will be provided with support from cross-cutting thrusts such as knowledge management, food security, gender equity and inclusion of young people. In order to better understand different circumstances and differentiation needs, lessons learned should be drawn from programmes and projects currently under way, in order to improve implementation instruments and modalities.

Deadline for implementation: As of the adoption of this recommendation, on an ongoing basis.

Entities responsible for implementation: IFAD, Ministry of Planning and Ministry of Rural Development and Land.

16. Recommendation 5. Find systemic solutions to programme implementation delays and inefficiencies. It is recommended that the Government and IFAD undertake a joint review of problems encountered with 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; once a project has been approved by IFAD, actively advocate with the authorities to obtain rapid approval and start-up; include elements in design that can guarantee rapid effectiveness and better management of any possible delays.

Proposed strategy: IFAD has begun to systematically involve working groups from government counterparts in the design of new interventions. This involvement enables consensus to be built around possible differences in approach, ensures that national policies and sector plans are properly taken into account and allows agreement to be reached in advance on operational aspects, facilitating subsequent arrangements for loan approval and negotiations. The aim is to shorten the time between programme and project approval and the start-up of implementation.

In addition, twice-yearly portfolio reviews have been instituted, in June and December, subject to coordination by IFAD and the Vice Ministry for Public Investment and External Financing, to examine progress, analyse problems and obstacles to executing active programmes and projects, and seek solutions. These reviews also include an analysis of any new designs or other products of relevance to the portfolio.

Deadline for implementation: As of adoption of this recommendation, on an ongoing basis.

Entities responsible for implementation: IFAD, Ministry of Development Planning, Ministry of Economy and Public Finance.

17. Recommendation 6. Set up sound M&E and knowledge management systems. Design a strategy for policy dialogue based on knowledge acquired and opportunities for scaling up.

One of the programme's weakest areas is M&E. To ensure that sound **M&E** systems can contribute to the quality of interventions and potential for scaling up, the evaluation recommends mobilizing funds as of the design phase to set up baselines before implementation begins, and subsequently in the respective budgets to assess impact. It is also recommended that values be assigned to such impact and that verifiable indicators be defined in appraisal documents and 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 strengthen M&E capacity at the project and programme levels and coordinate efforts with national systems.

It is recommended that **best practices** be followed, some of which were identified with PROSAT: (i) provide the national coordination unit with technical, administrative and financial autonomy and locate it outside La Paz in view of the area-based approach advocated and to minimize externalities; (ii) ensure that competitive staff recruiting includes an in-depth assessment of specific capabilities and competencies, and consider regular external technical support to project teams; (iii) involve the relevant authorities around issues of team remuneration and institutional sustainability of interventions after project completion.

With respect to **knowledge management and partnerships**, the evaluation recommends that important project experiences be documented and adequately disseminated for replication or scaling up – as, for instance, the way in which VALE reaches women – and that close links be established between grants and loans. It is also recommended that partnerships be built with other donors and new actors, such as the private sector in connection with support for production clusters, and the academic world in connection with climate change adaptation.

In the context of the Government's new international cooperation policy, it is recommended that IFAD and the Government jointly define a **strategy for dialogue** based on the experience and results of IFAD-supported programmes and 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, and establish continuity throughout M&E systems, knowledge dissemination, opportunities for scaling up project results and innovations, and partnerships with government agencies and other actors.

Proposed strategy: It is necessary to continue to improve monitoring systems to make them more functional on the basis of best practices, and assign greater importance to supervision and implementation support. Implementing teams should have the right profile for their responsibilities and should be very clear about the results and impact desired, in accordance with the logical framework. This will require close support at the outset of implementation. Systems will be strengthened during supervision missions.

The new programmes and projects have not taken advantage of the information technology systems from past programmes and projects. Accordingly, these currently available instruments should be used and adapted as needed. This will provide management information tools that facilitate timely monitoring and review of interventions.

Portfolio reviews will be a key element to reflect and exchange views on best practices, and to systematize lessons learned in the case of programmes and projects at different stages of execution.

One additional aspect to be taken into account by IFAD in coordination with the Government of Bolivia is the exit strategy for programmes and projects, which should be kept in mind from the outset of implementation. Accordingly, resources for the exit strategy should be provided for in the design documents in the form of specific activities, so that programme and project teams may consider relevant aspects of supported initiatives to ensure their sustainability.

IFAD's interventions have included successful scaling up, as in the case of financial inclusion with greater emphasis on young people and women. The new COSOP to be prepared in 2014 and 2015 will take into account lessons learned to generate an experience-based policy dialogue, regarding e.g.: (i) the best mechanisms, entities and modalities for participating in such dialogue; (ii) IFAD staff members to be involved in achieving this objective; and (iii) a proactive strategy for international cooperation partnerships to generate synergies between project interventions and national, regional and local programmes.

Deadline for implementation: Under implementation; in addition, coordinate organization of a round table with the Government and international cooperation to showcase the results achieved under IFAD-funded projects during fiscal 2015.

Entities responsible for implementation: IFAD, Ministry of Planning, Ministry of Rural Development and Land, municipal and regional governments, and programme/project implementation units.

18. Recommendation 7. Support IFAD's new country office in Bolivia. The office can perform effectively in the different areas reviewed: strategic approach and design of the future programme; policy dialogue and combining instruments to promote scaling up; and implementation issues such as programme and project portfolio management and ways of addressing delays.

In view of the foregoing recommendations, the evaluation invites IFAD, through the Latin America and the Caribbean Division as well as at the corporate level, to provide the support of senior management staff through regular visits to Bolivia; 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, to provide the country representative with more time and the ability to exercise increased intellectual and institutional leadership.

Proposed strategy: Steps have already been taken to strengthen IFAD's office in Bolivia, by formalizing a long-term employment contract for the administrative assistant and setting up a team of sub-regional and national consultants with semi-annual contracts to provide effective support for projects and programmes. In addition, the office has been equipped with communication technology and now has videoconferencing facilities for rapid connection with headquarters in Rome and other regional offices.

Deadline for implementation: Under implementation.

Entities responsible for implementation: Latin America and the Caribbean Division, IFAD.

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