

## profile

Number 102, February 2015

### Plurinational State of Bolivia: Country Programme Evaluation

**The Plurinational State of Bolivia covers an area of 1,098,581 km<sup>2</sup>. In 2012, the population was 10.03 million. The country has undergone many political and economic changes in recent years. Since 2006, the increase in public social spending - such as cash transfer programmes - has been financed by tax reforms in the hydrocarbons sector and high international prices for oil and gas. Between 2006 and 2012, gross domestic product (GDP) grew an average of 4.7 per cent per year, and since 2010 Bolivia has been classified as a lower-middle-income country. Despite the progress made, high levels of poverty and food insecurity persist – particularly in rural areas, where 61 per cent of the population lives in poverty. Agricultural productivity in Bolivia is the lowest in South America.**

Since 1979, the International Fund for Agricultural Development (IFAD) has approved 12 loan-funded projects to the Plurinational State of Bolivia, nine of which are closed and three are ongoing. IFAD's total contribution is US\$112.7 million. Donors have contributed US\$37.4 million, and Government counterpart funding and beneficiary contributions total US\$42 million. The total project portfolio cost is US\$192.2 million.

This Profile summarizes the main findings and recommendations of the second country programme evaluation (CPE) conducted by the Independent Office of Evaluation of IFAD in 2013/14. The evaluation covers the period 2005-2012, including the country strategic opportunities programme (COSOP) approved in 2007 and five projects financed with loans, as well as seven grants. The objective of this evaluation was to assess results and make recommendations to inform the next Bolivia COSOP, to be presented to IFAD's Executive Board in 2015.

#### Main evaluation findings

The results of the partnership between IFAD and the Government of Bolivia were overall positive but the impact could have been higher. The objectives of the projects funded by IFAD were generally in line with the needs of the poor, the COSOPs and the government's policies. The main achievements were the adoption by families of soil and water conservation techniques, improved crop and livestock farming practices, and

the development of new production activities such as vegetable gardens, tree nurseries, fruit production and processing or guinea pigs breeding. Surveys conducted by the projects among beneficiaries indicate that these have helped increase the incomes, assets, and social and human capital of the beneficiaries; however, reliable data and evaluation interviews suggest that the increase in income was limited. One clearly 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.

#### VIDEO: WEAVING A BETTER FUTURE Beneficiaries' perspectives



**The video presents the perspectives of beneficiaries on the contributions of the projects supported by IFAD and the vision for achieving more in the future.**

#### PLURINATIONAL STATE OF BOLIVIA AT A GLANCE

Population: **10 million (2012)**

GDP per cápita: **US\$2,576 (2012)**

Agricultural GDP/Total GDP: **10%**

Poverty headcount ratio at national poverty line (% of population): **45% (2011)**

Total IFAD-funded projects approved: **12**

Total amount of IFAD loans: **US\$112.70 million**

Sources: *Instituto Nacional de Estadística*, World Bank (World Development Indicators)

The programme impact was less than expected because:

(i) most supported businesses are not sustainable; (ii) the introduction of environmental management practices did not reverse the desertification process; and (iii) a private market for technical assistance did not materialize despite subsidies to hire technical assistance services. The 2007 COSOP pursued ambitious objectives with inadequate instruments. The focus on technical assistance neglected other key elements to improve production and commercialization such as dedicated support to access product lines and markets. Other programme limitations were: (i) weak relations with the territories in which it was implemented, particularly around environmental and economic issues; (ii) an inability to define the target population for market-driven agricultural production; (iii) short-term support for technical assistance and no support for strengthening beneficiary groups; and (iv) the attempt to reach all parts of the country despite limited financial resources.

Probably for these reasons, together with institutional changes in Bolivia during the review period and the lack of an IFAD country office until 2012, the programme did not adapt quickly enough to the evolving country context to establish partnerships with public programmes at the central and decentralized levels. As to implementation, the programme suffered delays, lacked a sound monitoring and evaluation (M&E) system and did not incorporate lessons learned, which limited IFAD's performance on non-lending activities – policy dialogue, knowledge management and partnership-building. Nevertheless, some results were achieved in these activities, such as direct cash transfers and the competition methodology.



**A group of women received support from the Enhancement of the Peasant Camelid Economy Support Project (VALE) to learn how to use the weaving machine and produce clothes using alpaca wool. Llalagua, Department of Potosí.**

©IFAD/Jorge Garcia

## Key recommendations

- **Develop a comprehensive strategy based on product lines and value chains, under a territorial approach.** The Government and IFAD need to identify value chains to be supported, based on the potential of product lines in each territory. In addition to providing technical assistance for production, consideration must be given to key aspects such as institutional strengthening, leveraging investments with other initiatives, providing financial services and financial education, and supporting access to product lines and markets.
- **Seek greater geographical concentration for interventions and define differentiated targeting of beneficiaries.** The evaluation recommends concentrating efforts on a few geographic areas, in regions with the largest numbers of poor people, and targeting interventions to give priority to people with productive potential. For the most vulnerable population groups, it is recommended that consideration be given to instruments that yield greater achievements in food security and poverty reduction, such as nutrition programmes or Government direct cash transfers. It is also recommended that participation by women, indigenous people and young people be enhanced.
- **Design a strategy for policy dialogue based on lessons learned and opportunities for scaling up.** It is recommended that IFAD and the Government jointly define a strategy for dialogue based on experience and results of IFAD-supported programmes, 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.
- **Find systemic solutions to programme implementation delays and inefficiencies.** The evaluation recommends that the Government and IFAD undertake a joint review of problems encountered with project effectiveness and implementation in order to seek systemic solutions, possibly looking to other financial institutions and recognized best practices for inspiration – as, for example, the implementation experience of the Small Farmers Technical Assistance Services Project (PROSAT).

### Additional information:

Plurinational State of Bolivia, Country Programme Evaluation, Report No. 3590-BO, February 2015, ISBN 978-92-9072-552-7, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 44, 00142, Rome, Italy. The evaluation report, Profile and Insights are available on the website: [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email: [evaluation@ifad.org](mailto:evaluation@ifad.org).