

# Bolivia





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Annex: 1. Table with the composition of Swedish development  
cooperation with Bolivia 1997–2002

# Summary

The Swedish cooperation program with Bolivia has been based on the country strategy for the period 1997–2001, as well as a regional strategy for the cooperation with South America for 1998–2002. The strategy period for Bolivia was later extended until the end of 2002. In the strategy for Bolivia it was envisaged that about 650 mSEK would be spent but in fact more than 740 mSEK was disbursed. Furthermore 155–205 mSEK is planned for disbursement during 2002. The composition of the disbursements during that period is found in annex 1 and is also analyzed in the evaluation of the cooperation program.

## **I. The results evaluation of the overall Swedish development cooperation**

At the end of 2001 an evaluation of overarching character of Swedish development cooperation with Bolivia 1997–2001 was carried out. The Terms-of-Reference for the task was jointly formulated by the Bolivian Ministry for Finance, Department for External Financing, VIPFE, and by Sida. Two Bolivian consultants were contracted for the task. VIPFE and Sida respectively presented written comments to the evaluation. Important conclusions to emphasize:

- The Swedish development cooperation has been well adapted to the priorities and relevant to the needs of the country, and has contributed to the strengthening of social institutions.
- The New Relationship Framework, initiated by the Bolivian Government has improved the collaboration with the donors.
- A long-term development policy, at national and sectorial levels, is a necessary condition for sustainable poverty reduction. The Bolivian Poverty Reduction Strategy, BPRS, which has been formulated as the base for all development policy – and development cooperation, is a step forwards. At sectorial level there is a continued need for consistent sectorial policies and priorities of activities. The latter are a condition for sector program support.
- The goal hierarchy of the Swedish development cooperation with Bolivia during the period has been vague.
- It is important to ensure that the development cooperation reaches the local level, and at the same time respect the established mechanisms of resource distribution.
- Considerable parts of the Swedish development cooperation have not been registered by Bolivia's planning and budgetary system. It is recommendable that all development cooperation is included in the lists of the system.
- Sweden has together with other donors played an important role in its support to the necessary reforms of the public management,
- The Swedish development cooperation in Bolivia is not very fragmentized, but could nevertheless gain from further concentration.
- The advantage of channeling resources for development cooperation through multilateral organization shall be evaluated in every separate case. A necessary pre-condition is that concerned sector ministry

and/or municipalities have approved the programs.

- Budget support, for example tied to the implementation of the BPRS, can be a possible form of support, but has to be evaluated next to other forms of support. Therefore it is recommendable that Sweden has larger flexibility when choosing between different forms of support.

## **II. Important conclusion from other relevant evaluations**

- An evaluation of the implementation of the Comprehensive Development Framework reaches similar conclusions as above. Other conclusions that are relevant for Sweden as one of many donors in Bolivia: The evaluation emphasizes the risk of donor crowding around attractive issues. Many donors are too focused on separate sectors. The donors are recommended to continue their delegation of power to their field offices as an adjustment to Bolivia's development program.
- An evaluation of Sweden's support to Bolivia's public gender policies summarizes that Sweden together with Holland has played an important role in the promotion of gender equality in the policy dialogue with Bolivia, and in the relevant financial support to Bolivia's gender work. However, Sweden has been less successful in mainstreaming gender issues through its own development cooperation program.
- A study of Sida's support to private sector development concludes that it's positive that the support has been directed towards local initiatives, and emphasized that projects should be selected with a poverty focus in mind. Sida was recommended to continue its important support to the forestry sector, and to strive for further donor coordination in the sector.

# 1. Framework for the Swedish development cooperation with Bolivia 1997–2002

## 1.1 Introduction

Any result analysis of the Swedish development cooperation with Bolivia 1997–2002 must reflect the character of the development cooperation in Bolivia, with the strong ownership by the Bolivian Government, and the well-developed donor coordination.

In this line the Bolivian Government – and Bolivians – are the most appropriate evaluators of results of the Swedish development cooperation with Bolivia. The Terms of reference for the Evaluation of the Swedish cooperation with Bolivia 1997–2001 were therefore elaborated by the Bolivian Ministry of Finance, VIPFE (that is in charge of coordinating development cooperation) together with Sida in order to contract independent consultants to carry out the evaluation. Mauricio Casanovas Sainz and Bruno Guissani Salinas were the consultants finally contracted to do the work. The result analysis that will be presented below has been discussed in a participatory way with a wide range of partners, from both Government and Civil Society, of the Swedish cooperation with Bolivia.

Since Swedish cooperation is so closely linked to other donors' activities, and the processes carried through by the Bolivian government and citizens, the above mentioned result analysis will not manage to cover all aspects of relevance for the Swedish cooperation and for drawing all important conclusions. Therefore the findings of a number of other evaluations will also be presented. Among those are the evaluation of the implementation of the Comprehensive Development Framework, CDF, in Bolivia commissioned by OECD/DAC, and a number of more sector- or program-specific evaluations commissioned by Sweden alone or together with other donors.

## 1.2 Cooperation before 1997

Swedish development cooperation with Bolivia started at the end of the 1980s with support to a number of small projects through SIDA and BITS. The first cooperation agreement was signed between the two countries in 1992. Most of the projects became effective after a couple of years. The total amount of disbursements during the period 1992/93 – 1995/96 amounted to almost 500 mSEK. The main programs were support to economic reforms and rural development. In the country

strategy for 1997–2001 the results and experiences from the period 1992–1995/96 are summarized.

### **1.3 The strategy for development cooperation with Bolivia 1997–2001**

A strategy for the development cooperation with Bolivia was adopted by the Swedish Government in December 1996 for the period 1997–2001. The strategy was later extended by one year until the end of 2002. The main objectives for the cooperation with Bolivia was to promote an equitable, sustainable and democratic development in the country through processes of

- deepened democracy in which human freedom and rights would be respected, with emphasis on the rights of the indigenous peoples,
- good governance, at local and central level, and a functioning state governed by rule of law,
- reduced poverty through economic and social development, especially in the rural areas and for the indigenous peoples,
- equality between women and men,
- economic growth and the development of the private sector
- macroeconomic stability.

An overview of the strategy was made in September 2000 with a short assessment of the political, economic and social situation in the country and an adaptation of the program to the new aid coordination model.

The main changes were:

- Poverty alleviation should be placed in the forefront of the program and be guided by the Bolivian Strategy for Poverty Reduction.
- There should be flexibility to adapt to a more concentrated program within the model of coordination led by the Bolivian Ministry of Finance.
- The direction towards sector program support should be further emphasized.

A strategy for development cooperation with South America 1998–2002 was also adopted by the Swedish Government in late 1997. Since an effective strategy already existed with Bolivia, the regional strategy did not add any new guidelines to the cooperation with Bolivia.

### **1.4 The overall volume and composition of the program 1997–2002**

In the strategy for Bolivia it was envisaged that about 650 mSEK would be spent but in fact almost 730 mSEK were disbursed. More than 150 mSEK are furthermore planned for disbursement during 2002. The exact composition of the disbursements during this period is found in annex 1. The differences between the volumes in the country strategy and the actual level of payments is analyzed by the consultants in section 2.5.2



**Swedish Development Cooperation with Bolivia 1997–2002 (mSEK)**

	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Human Rights/Democracy	10	7	15	25	45	49
Social Sectors	70	22	49	50	67	49
Private Sector Development	19	26	21	16	6	22
Natural resources	–	–	11	5	2	2
Research	1	1	–	9	15	17
Balance of Payment Support	40	35	–	50	60	(35)*
Swedish NGOs	8	8	8	11	10	12
Other	4	4	6	6	1	1
<b>Total</b>	<b>152</b>	<b>03</b>	<b>110</b>	<b>172</b>	<b>206</b>	<b>152 (187)</b>

\* At the time of writing the prognosis is that there will be no budget support to Bolivia during 2002, since the IMF-program PRGF is off-track.

# 2. Evaluation of the Swedish cooperation with Bolivia 1997–2002

Made by Mauricio Casanovas Sainz and Bruno Guissani Salinas

## 2.1. Objectives

The objectives of this evaluation were to assess the results of the 1997–2001 period in order to provide Sida and the Bolivian Government with the basis for potential changes or adjustments in the future cooperation strategies

## 2.2 Background

The starting point for this evaluation is the Swedish strategy for development cooperation with Bolivia 1997–2001 as well as the priorities formulated by the Bolivian Government in the Operative Action Plan 1997–2002 *Para Vivir Mejor*, OAP, the New Relationship Framework between Government and International Cooperation, NRF, adopted in June 1999 and the Poverty Reduction Strategy of Bolivia, PRSB. An assessment is made of the consistency between the policies approved by the Swedish Government for development cooperation and the 1997–2001 Swedish development cooperation program in Bolivia with the national strategies, policies and priorities of Bolivia.

The assessment has been conducted in two particular areas:

i) an analysis of general aspects related to the definition of policies and public investment strategies and priorities, and ii) an analysis of the specific aspects of the Sida co-operation with Bolivia in relation to these priorities.

## 2.3 Assessment of general aspects:

### *2.3.1 Bolivia has not yet a credible social and economic development strategy*

In recent years, Bolivia has invested a lot of human, technical and financial resources to develop proposals of long-term development strategies, with different visions and emphasis, but with quite similar objectives, components and actions. Unfortunately, what has been intended as long-term development strategies have ended up in short-term proposals, because new governments have tended to disregard the strategies of former governments. There are however a few factors that may indicate that the BPRS will not run the same fate as earlier strategies: it is the result of a wide and participatory process of national consultation: the National Dialogue from 2000, the Law of the National Dialogue, and the financing of it is partly ensured by financing from debt relief obtained through HIPC II.

The lack of a credible strategy has affected the manner in which international cooperation agencies have related to the priorities defined in Bolivia's different social and economic development strategies. In most cases, agencies have tried to adapt their support to priorities outlined by the Government, but generally support has been given to programs with the best perspectives of sustainability. This partly explains the imbalance in financing between different sectors and programs. The education reform is one example of a sector that has succeeded in attracting financing, while health, basic sanitation and micro-enterprise proposals have had more difficulties.

In part, this could also explain the increasing trend among international donors to work with other agents than public institutions, such as NGOs or private organizations, and the effort to create sector wide approach programs. The lack of a credible development strategy has led to a weak support by international donors for the priorities made in those strategies.

Hopefully a more consolidated BPRS could serve as a more integral instrument for the national priorities and the basis for international cooperation to public investment

#### *2.3.2 Sector policies have not accompanied global strategic definitions*

Insufficient sector policies have contributed to the lack of a complete and integral programme for public investment, and there has also been a lack of programs and projects within existing policies. This has made it difficult for the donors to finance programmes and projects at sector level apart from institutional strengthening programs.

The result is a decreased impact and efficiency of public investment, and the risk of double efforts and dispersed resources. Another negative result is an imbalance regarding resource distribution from national public investment between different sectors with an excessive concentration in sectors with better defined policies and a lack of financing in others.

This factor has been critical for the difficulties experienced by the Swedish cooperation in the implementation of certain programs such as that for gender equality.

#### *2.3.3. The New Relationship Framework between Government and the International Cooperation has improved the use of external resources in the national public investment program*

The main problems identified in the relation between government and the international cooperation agencies are principally associated with the planning and disbursements of the public investment program.

The main problems identified are: i) the lack of national counter-part resources, ii) interventions of the external cooperation agencies which are not in line with government priorities, iii) a centralized decision-making process, and iv) the programming cycles and proceedings are different for each cooperation agency.

These problems, although not totally removed, are being tackled by the New Relationship Framework (NRF) between the Government and the International Cooperation. This document has established that Bolivian principles now are the main guidelines for international coop-

eration. It has also influenced donors to make the decision-making autonomy of the resident representatives in Bolivia more flexible and stronger than before. This is the case of Sida for example.

Furthermore, there are significant advancements in the coordination of programming cycles as well as in follow-up and assessment missions. The harmonization of rules for procurement of goods and services is however lagging behind.

VIPFE has succeeded in centralizing the external financing requirements for sector programs and projects and in approving them according to priorities defined in the development strategies and the necessity to have national counter-parts.

Notwithstanding, it is clear that VIPFE has not yet created a mechanism to incorporate the programs and projects implemented by private institutions and NGOs into the NRF. Considering the BPRS philosophy regarding the strengthening of the national productive sector, this is an important pending task. An additional effort is also needed to include resources provided by the cooperation to private institutions in the registration of the total of the external financing in VIPFE accounting records. The lack of information on these interventions is causing a dispersion of resources and duplication of efforts.

In order to improve the implementation of NRF it is necessary to advance further in defining strategies, investment priorities, indicators and in the elaboration of mechanisms for follow-up and evaluation. The approval of the BPRS therefore constitutes an important progress. Yet the operative priorities of the BPRS and the programs and projects to be financed through this framework remain to be defined. It is also necessary to define mechanisms for the result-based programming.

## **2.4 Assessment of Sida Specific Aspects**

### *2.4.1 The Swedish cooperation has generally been well adapted to the priorities of the Bolivian development strategies*

The guidelines adopted to implement the 1997–2001 Sida cooperation program were mainly framed by the OAP 1997–2002 and the NRF. Since the BPRS was approved during the last year of the programme, the BPRS has not yet had an impact on the design and implementation of programs.

Sida interventions have focused on the pillars of Institutionality and Equity, as defined by OAP 1997–2002. In the Institutionality pillar the Institutional Reform Program (PRI) and its predecessor the Civil Service Program, the Decentralization Program, the institutional support to the Vice Ministry for Gender, Generation and Family Issues, VAGGE, the Ombudsman Program and support to the National Institute for Statistics have been given priority. Furthermore a significant balance of payment support to Bolivia's reform process has been given. In the Equity Pillar the Education Reform, the PROANDES program through UNICEF and specific health actions through UNFPA, PAHO as well as Swedish NGO projects have been given priority. Sida has put particular emphasis on gender equality and indigenous peoples' rights in its participation in sector programs. The more limited support to the Opportunity Pillar has focused on an Private Sector Development Program and the Forestry Sector.

Two different options are suggested for future Sida interventions:

Either i) to further focus on the interventions on institutional reform to help improving the participation of citizens at local level or ii) to widen the approach to the BPRS and support the employment and income generating sectors. The later alternative would need an alliance between public and private sectors.

One suggestion is that Sida reduces its balance of payment support to use these resources more directly for programs oriented to productive sector development, since the demand for balance of payment support is expected to be reduced with HIPC II financing.

#### *2.4.2. The Swedish cooperation has had an effect on poverty reduction*

In general, the Sida interventions have been strategic in nature, oriented to strengthen the institutional capacity of the country.

From a human development perspective, the Sida interventions have undeniably contributed to reducing poverty for the following reasons:

- The contribution to the Education Reform process does not only mean to support the development of capacities, but also to improve the general education service in Bolivia.
- Sida's contribution to the private sector development and Balance of Payments is strengthening a depressed and poor economy. This indirectly contributes to the creation of job opportunities and an improved quality of services.
- The Sida support to the forestry sector is a direct contribution to the national economy, and also signifies a cooperation regarding environment conservation, since it has a forest sustainable management component. The program supports the peoples to overcome their poverty conditions in the long run.
- Sida's support to the Ombudsman activities contributes to the democratisation of society, because if the citizens' rights are respected, they can be more influential. At the same time, this support contributes to a better relation between Government and civil society, thus contributing to better governance.
- PROANDES is a program with a direct impact on an improved access to basic services and has important education components promoting democratisation.
- The Sida contribution to DIAKONIA is in line with aims to democratise the power and provide opportunities to the civil society, including NGOs, to improve political accountability. It is also important to the Bolivian democratisation, since other actors than the political parties must have the opportunity to express themselves in a democratic society.
- Finally, the financing of some activities of VAGGE, meets the need to balance poverty biases, mostly affecting women in Bolivia.

#### *2.4.3. Sida interventions were relevant to the needs and development requirements of the country.*

The Swedish interventions during 1997–2001 were relevant to the development needs, requirements and objectives of the country.

The Swedish cooperation, either directly, or through multilateral cooperation organizations, has financed, totally or partially, the main efforts

made by Bolivia in order to reduce poverty levels. The Education Reform is an example of such efforts.

Even in programs implemented by private counter-parts, Swedish interventions have been quite important. The Sida support to the forest sector regularization is crucial for the future of one of the Bolivian industrial sectors with the largest development potential.

It is recommended that the Swedish cooperation also in the future should focus on interventions and priorities in the social area which, with a relatively small amount of resources, can develop important initiatives to reduce poverty in the country.

#### *2.4.4 Sida's cooperation has had positive effects on the strengthening of social agents*

It cannot be determined in general whether supported institutions have become stronger thanks to the Sida contribution. However, the analysis of the PROANDES suggests that this has been the case in that program.

It is recommended that Swedish support should be redistributed directly to local institutions in order to avoid financing public, multilateral or non-governmental bureaucracies which often constitute obstacles for the resources to reach the poor.

## **2.5 Assessment of the 1997–2001 Cooperation Programme**

The 1997–2001 cooperation program is evaluated in relation to the strategy for that period in three particular areas i) overall objectives; ii) the use of the cooperation resources; and iii) some operative and administrative issues.

### *2.5.1. Assessment of the Overall Objectives*

i) There are differences between the overall Swedish objectives and those for the cooperation program in Bolivia.

The overall objective of the Swedish development cooperation is focused on the reduction of poverty and the consolidation of democracy in countries that receive Sida support.

These strategic objectives are formalized through six specific objectives: i) promotion of economic growth; ii) strengthening of the political and economic independence of the countries; iii) elimination of social and economic inequalities; iv) consolidation of democracies; v) promotion of gender equality and vi) the long-term sustainable use of natural resources and protection of environment.

It is surprising that these objectives have not been directly applied into the cooperation program with Bolivia for 1997–2001 and that there are instead other objectives operating – although they are quite similar. This creates some distortions, as shown in the following table:

<b>Swedish Cooperation Objectives</b>	<b>1997–2001 Cooperation Program Objectives for Bolivia</b>
Economic growth	Economic growth and development of the productive sector Macroeconomic stability
Political and economic independence	
Diminution of social and economic inequalities	Poverty reduction
Democratic development	Consolidation of democracy and respect to human rights (Local and national) Governance and rule of law
The long-term sustainable use of natural resources and protection of environment	
Gender equality	Gender equality

There are two objectives of the Swedish cooperation at global level which are not defined as objectives for the Bolivia cooperation program: I) to strengthen social and political independence, and ii) to conserve the environment. Furthermore, the objectives of “consolidation of democracy and respect for human rights” and the “support to governance and rule of law” are more or less similar. The global strategic objective related to economic growth has its correspondence in the cooperation program in Bolivia, but there are additional objectives such as macroeconomic stability and development of the productive sector. It might be more appropriate to simply add “increase the production of goods and services<sup>1</sup>”, as suggested in the Sida conceptual document.

Finally, poverty reduction, proposed as an operating objective in the cooperation with Bolivia is, in fact, the strategic objective of all of the Swedish development cooperation for the beneficiary countries. The guideline of the Swedish cooperation “to diminish social and economic inequalities in the country” is clearer as an operating objective.

It is recommended that there is no need to create particular objectives for the Swedish cooperation in Bolivia, especially if the general objective of the Swedish Government for development cooperation is well adjusted to the country needs and priorities.

II) The sector-wide approach should be strengthened in the implementation of programs.

Taking the definition of sector wide approach in “Sida’s Policy for Sector Programme Support” as point of departure, it is possible to assert that the 1997–2001 Swedish cooperation program in Bolivia was not implemented in accordance with those guidelines.

The interventions were more oriented towards supporting projects than to sector programs, as is the case of the institutional strengthening of the Ombudsman office or the support to UNDP for the work with the Human Development Reports. There were also significant contributions to programs without a sector concept, such as the balance of payment support or the Institutional Reform Program.

Important efforts have been made by Sida in Bolivia to generate programs with a sector wide approach on gender, such as the organiza-

<sup>1</sup> Terms of reference:

Evaluación de la Cooperación Sueca en Bolivia 1997–2001, Swedish Embassy/VIPFE, october 11<sup>th</sup> 2001, P.3.

tion of inter-agency groups to formulate policy proposals, coordinated actions and strengthened management capacity of VAGGE. However, this program has had limited success because of a lack of a real political commitment and leadership of the government, and of a lack of real participation of organized civil society.

Education, through the Education Reform, is another possible sector for a sector wide approach program. This program still has, however, a very closed structure towards consensus building, and does not have majority support from the civil society stakeholders. Coordination problems with the donors have also occurred.

Finally, the Swedish support to the Bolivian forestry sector is beginning to have positive results and is perhaps one of the first private sector program, to which the sector wide approach methodology could be applied.

III) Only 44% of the funds of the Swedish cooperation has been registered at VIPFE between 1997 and 2001.

Official registers of the international cooperation for development in Bolivia, administered by the VIPFE through the SISFIN, show that, for the 1997–2001 period, 30,8 mUSD of the Swedish cooperation was disbursed to the country by Sida. This official record of the Swedish cooperation in Bolivia represents only 44% of the total cooperation funds disbursed by Sida during the period, amounting to 70 mUSD. The remaining 56% were disbursed through programs and projects not registered by VIPFE, such as projects implemented by private sector organizations.

Less than half of the disbursements between 1997 and 2001 corresponds to priority criterias established by the Government. Sida has, however, continuously informed VIPFE during annual review meetings about all transfers made to the sectors not included in its official registers.

In the future, it is important that VIPFE is able to register all the resources allocated to the country in order to ensure consistency and coherence, in all the interventions, with the public investment priorities defined by the country.

IV) In terms of disbursements, Sida is in the 12<sup>th</sup> place among of all the cooperation agencies in the country, and in the 8<sup>th</sup> place among of the bilateral cooperation agencies in terms of committed resources.

In order to be able to compare disbursements with the remaining bilateral agencies we have used data administered by the VIPFE, despite the weaknesses mentioned above. VIPFE's register does not cover bilateral donors support to private institutions and NGOs as in the case of Sweden. Based on these statistics, Sida is in the eighth place out of 21 bilateral cooperation agencies working in the country. When including multilateral cooperation, Sida is in the twelfth place out of 34 agencies.

The assessment in terms of committed resources does obviously not reflect the “goodwill” the different agencies may have in Bolivia. In the interviews with public and private counterparts, Sida is one of the best considered agencies due to its willingness to support rapidly, its flexible proceedings and good execution.



V) The Swedish cooperation represents less than 5% of the total of the bilateral cooperation resources.

Resources allocated by Sida to Bolivia, as per the VIPFE registers, represent 4,4% of the total resources allocated by the bilateral cooperation to the country, and 1,9% of the total multilateral and bilateral cooperation during the 1997–2001 period. This suggests that Sida does not hold sufficient cooperation levels to have a relative weight among the donors and to exert certain influence in the dialogue with the Government and multilateral cooperation agencies, which is one of the Swedish cooperation objectives.

It could be of interest for Sida to internally discuss the minimum percentage of the international, bilateral or total cooperation needed in order to have a significant relative weight amongst the agencies working in Bolivia and an impact on the development efforts of the country.

#### 2.5.2 Assessment of the Use of the Cooperation Resources

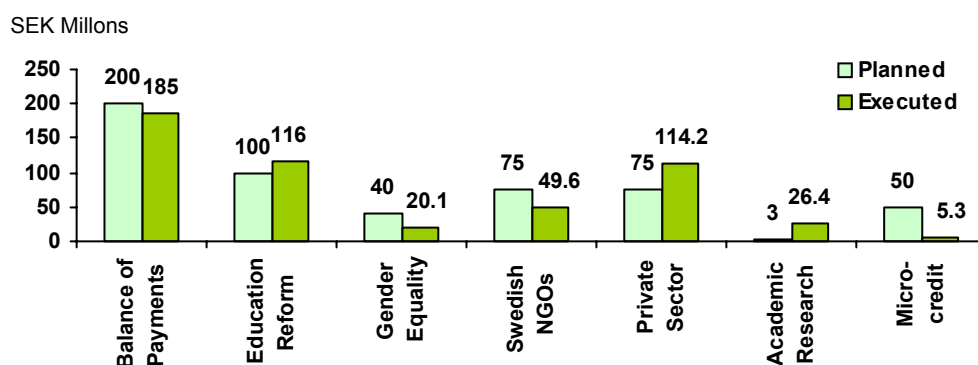
I) The budget execution of the Sida cooperation program in Bolivia for the 1997–2001 period reached 112%.

The Swedish cooperation program in Bolivia for the 1997–2001 period contained a planned budget of 650 mSEK according to the strategy. However, the budget execution projected as of 31 December 2001 reached 729,1 mSEK, which means that the disbursements were 12,2% higher than what was originally programmed for the period.

There has been a substantial increase of the disbursements, which shows a more efficient cooperation in this regard.

II) The budgetary execution of the approved programs of the 1997–2001 Swedish cooperation program have to a certain extent been out of pace

Since the accounting data on disbursements during the period does not follow the same disaggregation as the strategy for development cooperation with Bolivia 1997–2001 it is difficult to analyse the budgetary execution for each program established in the strategy. However, it is possible to compare programmed and executed amounts for a selected group of programs shown in the following table.



Source: Accounting Reports Sida-Bolivia, 1997–2001

In order to evaluate the budget execution of selected programs, the reference has been the maximum amount programmed in the Strategy. Taking this into account, the disbursements have been higher in the

education reform (16%), the support to the private sector (52%) and academic research (880%). The budgetary execution was lower regarding the contributions to the balance of payments (8%), gender equality (50%) and micro credits (90%). For the support to Swedish NGOs, the budgeted range was between 50 and 75 mSEK. Thus the execution was 34% lower than the higher amount, or 1% lower than the lower amount.

A recommendation, for the future, is to improve this planning by defining more exactly the resources allocated to each program.

The higher autonomy and flexibility of the Sida office in Bolivia allows a reallocation of resources from slow-functioning programs, such as the gender and micro credit case, to those with better performance.

III) Support to the social sectors is the largest part of the Swedish cooperation.

The accounting data on disbursements by program shows that the social sectors received the largest part, 32%, from the Swedish cooperation in Bolivia during 1997-2001. Then follows the support to the balance of payments (25%), the private sector (15%), human rights and good governance (13%), and natural resources (2%). Other programs, including the support to the academic research, technical cooperation and consulting resources, represent 13% of the disbursements.

IV) Multilateral organizations administer 37% of the Sida cooperation resources.

37% of Sida resources were channelled through multilateral organizations in the 1997-2001 cooperation program. The main channels were the World Bank, UNICEF, the United Nations agencies (UNDP, UNFPA, PAHO) and the IDB.

There are two reasons for working through multilateral organizations. First, it permits Sida to participate in a larger cooperation program with a higher impact. It gives Sida a more solid base for interaction with the Bolivian Government and a better opportunity to reach Sida's development objectives. Second, it decreases administrative costs, particularly those related to the monitoring, follow-up and assessment of the program.

However, it is necessary to make a distinction between different types of multilateral cooperation to attain these benefits. Firstly, there are multilateral agencies that put at risk own resources for the development and implementation of a certain program and use additional resources from the bilateral cooperation to finance additional components. World Bank and IDB are two examples of such agencies. The second kind of multilateral agency puts a smaller part of its own resources at risk, and rather competes with the Bolivian institutions in executing projects with the bilateral cooperation resources. The United Nations agencies are examples of this.

It seems more convenient to channel resources through the first type of multilateral agency. Regarding the second type of multilateral cooperation, the benefits are not as clear and it seems critical to evaluate this option against the alternative to work directly with public institutions, which, notwithstanding lack of stability and transparency, at least reflect national policies and priorities.

From all the resources channelled through the multilateral agencies, 48,5% were channelled through the United Nations systems and 51,5% through the World Bank and IDB.

During 1997–2001 36% of the Swedish cooperation was allocated to national institutional executors of the public sector. More than half of these resources were allocated to support the balance of payments. 19% of the total Sida cooperation was administered by the private sector, the main component being the forestry sector. Swedish NGOs received 7% of the total. The remaining 1% was allocated to finance consultancy projects and the development of new cooperation programs.

V) There is a wide distribution of the financing of programs and projects supported by the Sida cooperation

During 1997–2001, Sida supported projects, out of which thirty-seven, received less than 50 mSEK, and three more than 50 mSEK. 52% were disbursed for these three projects (support to the balance of payments, the Education Reform and the social program through UNICEF). The other 48% were distributed among the other 37 projects receiving an average of 9,7 mSEK for the five years. Out of these projects, six had disbursements less than 1 mSEK, 14 between 1 and 10 mSEK and 17 between 10 and 50 mSEK.

A possible recommendation in this case would be to focus the cooperation in a smaller number of projects with greater impact on the national objectives and the Swedish cooperation.

VI) The Swedish cooperation resources seem not to be oriented directly to the decentralized levels of Government.

One of the main objectives of the 1997–2001 Swedish cooperation program in Bolivia is to support good governance and the rule of law, starting from the strengthening of decentralized structures of government.

However, only 22% of the programs supported by Sida in the framework of the 1997–2001 cooperation program have a strong orientation to local levels. Most interventions with direct local impact are made through Swedish NGOs. Another important component is the support to UNICEF through PROANDES that is targeted at one of the poorest areas of the country and the promotion of children's rights.

Based on the Swedish objectives, it is surprising that Sida did not allocate more resources to the strengthening of local governments at municipal level, in order to contribute to the consolidation of democratic governance in the country generally and to the social participation in national decisions.

### *2.5.3 Assessment of the Administration of Cooperation*

I) Accounting documents on the budget execution have a structure of disbursement by program different to that approved in the Swedish strategy for development cooperation with Bolivia 1997–2001

The following table shows the difference between the approved programmatic structure and the disbursement reports shown in the accounting execution, plus some examples of programs for comparison purposes:

<b>Program Structure</b>	<b>Disbursements</b>
Support to the national reform process: – Education reform – Institutional Reform Program – Support to the balance of payments	Human rights and democracy: – Institutional Reform Program
Support to civil society: – Swedish NGOs	Social sectors: – Education Reform – Micro credit
Support to the productive sector: – Micro credit	Infrastructure, trade and urban development
Development of capacities: – Academic research	Natural resources
	Other: – Swedish NGOs – Support to the balance of payments – Academic research

From the above table, we can emphasize the following elements:

I) the difference between program categories and the categories used for the disbursement report, and ii) the crossing of programs between different categories. These inconsistencies do not allow a more thorough analysis on the budgetary execution and the accounting outcomes of the 1997–2001 Sida cooperation program.

This is an important restriction when evaluating the outcomes. It seems necessary to make the relevant modifications to the disbursement report in the future.

II) The extended autonomy attained by the Sida office in Bolivia has not been accompanied by improvements in the administrative and follow-up aspects.

Over the past years, the Sida office in Bolivia has attained an extended autonomy from the Department for Latin America of Sida-HQ which has implied the further right to take decisions on programs and allocate financing resources. This autonomy has given the local office a higher flexibility and capacity to respond to the demands and requirements of the Bolivian institutions administering these cooperation resources. However, this extended autonomy has not been accompanied by administrative and managerial changes in the office when it comes to program follow-up and improvement of control mechanisms as well as feedback on administrative mechanisms, a job which should be carried out by each program officer.

# 3. Comments from the Bolivian government on the evaluation of the Swedish development cooperation

- An important conclusion is that the close coordination between Sida and the Bolivian Government has implied that the Swedish cooperation has been well adapted to the framework of the Bolivian Government's politics during recent years.
- It must be clarified that the SISFIN (System for Information on External Financing) administered by VIPFE does not register support to the private sector, but that all necessary information about this support is communicated by Sida.
- VIPFE does not agree with the consultants on the lack of a well-defined national strategy for economic and social development. VIPFE considers that the BPRS fills the empty space and does constitute a national policy, since it originates from a national dialogue. The BPRS has furthermore been agreed upon with the political opposition and a specific law on national dialogue has been adopted to secure the future of the BPRS. This ensures the continuity of the BPRS which in itself is a dynamic document that can be improved and adjusted to the reality of Bolivia continuously. Furthermore, the dynamic process of the PRSB is organized through national dialogues, which in themselves can be improved in the future to strive for a larger social participation.
- Regarding the mentioned weakness of sectorial politics and decision-making within the national and external reality for Bolivia, VIPFE considers the position of the evaluation extreme bearing in mind that processes have started towards this way of organizing sector work only a couple of years ago in a very difficult country context. Although one cannot deny the external aid dependence of Bolivia (50% of the budget for public investment comes from external resources), VIPFE considers that there has been progress when it comes to direct external resources to the financing of Bolivian priorities. The new framework between the Government and the International Community establishes ownership and decentralized decision-making as its most fundamental principles.
- VIPFE is not opposed to UN agencies receiving part of the international cooperation resources, but underlines the importance of those agencies adapting to the politics, programs and projects developed in Bolivia (For example, accommodate to the program of the Compensation Politics when working with municipalities.).

- In the presentation the New Relationship Framework between Government and International Cooperation is described as a document proposal, which it is not, according to VIPFEs view. It is rather a process in development.
- It is mentioned that the ideal matrix of investments should be further elaborated. VIPFE would like it to be clarified that this matrix is elaborated in a process of agreements between responsible sector ministries and the international cooperation.
- VIPFE does not consider the Swedish cooperation to be too dispersed, it covers areas of priority for the Bolivian Government, but it could be analyzed how this support can be further concentrated.
- The evaluation suggests that channeling resources through third party should limit the possibilities of the Swedish cooperation. VIPFE does not agree, since one should not have the visibility of the Swedish cooperation in focus, but instead the results and impacts achieved by the cooperation in coordination with other donors. Additionally, Sida does in Bolivia neither have the role nor the capacity of monitoring or following-up all the projects.
- VIPFE considers the recommendations of the evaluation regarding decentralization and municipal development incomplete; since they only speak about the efforts of fiscal reorganization in the municipalities and do not consider the progress achieved within the politics of compensation and the National Dialogue law, phenomenas which open the doors for social control and accountability. Other efforts to support the municipalities are those included in the decentralization programs supported by the World Bank, IDB, CAF and bilaterals with the objective to support municipal investments, municipal strengthening and instruments for monitoring and social control.
- VIPFE regrets that the evaluation does not consider the advances in institutional development performed by the program for Institutional Reform, a program which has been developed within the central Government and also includes a perspective of reaching the prefectures and municipalities.
- Neither VIPFE finds the proposal to channel resources directly to the municipalities acceptable, since there are already established mechanisms for this through the politics of compensation and the National Dialogue Law. The proposal might even violate the politics of equity which determines the redistribution of HIPC and international cooperation resources.
- As regards the Education Reform and other donor coordinated programs, VIPFE finds it crucial to mention the progress of certain processes in the absence of sector wide approaches, such as the donor recipient common evaluations and the agreement in criterias to define objectives and goals.

# 4. Sida comments to the evaluation of the Swedish development cooperation

## 4.1 General comments:

The evaluation provides a good overall analysis of the cooperation during the period 1997-2001, and although Sida does not agree on all the findings and conclusions, it will no doubt serve as an important background for our strategy discussions. The time for the evaluation did not permit a more profound analysis of the different projects.

Sida agrees that the objectives used in our cooperation have not been entirely logical. Sida has one overriding goal – poverty elimination – and six specific objectives. These have however not been applied in a very logical sense in the cooperation program with Bolivia. A Swedish parliamentary committee, which only recently concluded a study of the Swedish policy for Global Cooperation, has proposed that poverty eradication should be the only objective for development cooperation. This new approach is likely to be approved in 2003.

## 4.2 Specific comments:

1. The point that the consultants are making in relation to the Balance-of-Payment support about the lack of flexibility of different funds is valid. However, it has not yet been possible to transfer funds from Balance-of-Payment support to other programs since they originate from different budget appropriations in Sweden. A possible change in this regard is being discussed at Sida HQ. If the recipient Government defines well-designed sector wide approach programs, performs sufficient budget control and introduces well-functioning reporting routines, – which are not yet in operation – this type of flexibility in support might be increased in the future.
2. It is easier to recommend that funds shall be channeled directly to local actors than to actually carry out such assistance in practice and ensure that the funds are spent more effectively that way. In fact, a large amount of resources within the Swedish program is being channeled to the local level through the Education Reform Program, within the Social Development Program through UNICEF and by the Decentralization Program.

The general experience is that it is very difficult to distribute large funds directly to poor people without creating very extensive aid agency bureaucracies locally. Sida believes that it is wiser to depend



on local systems already operating in the country, and agrees with the arguments put forward by VIPFE.

3. Sida is aiming at supporting sector wide programs (SWAP) and approaches. So far the necessary conditions for such support have not been fully at hand. However, the support to the Ombudsman's office contains many of the ingredients of a SWAP initiative. The steps already taken within Education, Water and Sanitation, gender and forestry sectors might lead to a full sector wide approach in the future. Until such sector wide programs are created, which are based on national sector policies, Sida will continue to support basket funding arrangements with other donors.
4. The analysis of the consultants that 56% of the program has been channeled to programs and projects without priority to VIPFE is not correct. VIPFE is directly in charge of projects/programs directed to public authorities. At the same time other programs of support to for example private sector institutions, universities and NGOs are also accepted by VIPFE as important contributions to the development of Bolivia. Sida agrees with the recommendation that all aid, irrespective of executing agency, should be registered by VIPFE.
5. Sida would like to emphasize that the level of cooperation alone is not determining the possibility to enter into a fruitful policy dialogue with the Government. A small donor can also have impact, especially in coordination with other donors.
6. Sida questions the reasoning of the consultants as regards the large risks of co-financing with multilateral organizations. The support to these programs are promoted by the Government and decided upon jointly between the bilaterals and the multilaterals. In most cases the multilaterals are the financiers of last resort – not the other way around. There might have been cases, however, when the multilaterals have been so relatively strong that they may have superimposed their will on Government institutions. In these cases bilateral donors could always act as counterbalancing forces.
7. The consultants have a valid point with regard to the UN Organisations and their competition with the Government institution about bilateral resources. It is necessary that the programs that Sida supports in the future through for example UNICEF and UNFPA are fully accepted by the line ministries and the municipalities where these agencies carry out their programs.
8. The role of the La Paz office with regard to the follow-up mechanisms of projects/programs is overstated in the Evaluation. The program officers do not have the primary role of following up the programs and to create better performance mechanisms with regard to the projects. This is the role of the Bolivian state authorities or other implementing institutions. Sida's role is to contribute to the improvement of relevant control mechanisms in maintaining a policy dialogue with the institutions in charge of the activities and do so in close cooperation with other donors. However, Sida welcomes the proposal of making more field trips together with representatives from our partner institutions.
9. Sida underlines the importance of continued cooperation with the Government of Bolivia on the basis of the Poverty Reduction Strategy – and looks forward to improvements in the BPRS process,



as well as in the formulation of more effective pro-poor growth actions, in future revised versions of the BPRS.

# 5. OECD/DAC evaluation of the comprehensive deve- lopment framework – the case of Bolivia<sup>2</sup>

## 5.1 Long-term Holistic Framework

### *Achievements*

Bolivia developed and owned its long-term vision prior to the emergence of the CDF (locally referred to as the Nuevo Marco). The Government has introduced a series of cross-cutting reforms and realized advances in several sectors. Decentralization has been underway since 1994 and a National Dialogue was launched in 1997.

The Bolivian Poverty Reduction Strategy (BPRS) and its legal instrument (the Dialogue Act) represent a major step forward in channelling resources to the poor. The BPRS involved broad consultation, includes social and economic goals, and has received significant support from donors.

### *Challenges*

There is no clear relationship between plans, investments and program implementation (e.g. there is no organic link between the national (recurrent) budget and the investment program).

Balancing centralized coordination of ODA with the implementation of the national decentralization program poses new challenges

BPRS objectives and targets are not specific enough to lend themselves to clear monitoring. Stronger prioritisation and closer targeting is needed.

Conflictive issues, such as coca, increasing inequity, social upheaval, and debate over the current political-economic model, should be incorporated into national development plans and the BPRS. These issues that are likely to influence the country's course in the medium term.

## 5.2. Country Ownership

### *Achievements*

The CDF, BPRS and HPIC have provided further support to a “home-grown” development process. Serious investments have been made to engage civil society at national and local levels in the BRPS.

<sup>2</sup> Preliminary findings of the OECD/DAC Evaluation of the Comprehensive Development Framework, March 15, 2002

### *Challenges*

The role and jurisdiction of the civil society consulting mechanism needs to be more precisely defined to avoid raising unrealistic expectations. An appropriate balance must be found between representative democracy (Congress) and participatory democracy.

The dialogue between the Government and civil society needs to address conflictive issues and to create mechanisms for resolving these. The persistence of social exclusion and the concern that civil society organizations are not fully representative of the poor are outstanding issues to address.

There is a risk that reforms could be reversed with the upcoming change in Government. Though the CDF is strongly embraced by a cadre of committed technocrats and their international partners, the concept it is not yet broadly rooted in the political system.

## **5.3 Country-led Partnership**

### *Achievements*

Substantial progress has been seen over the last 10 years. The CDF, the CG mechanism and a shift toward sectorial approaches by international partners have had visible effects, including improved donor coordination, a gradual alignment of ODA with national priorities, and increased co-financing.

### *Challenges*

Partnership requires serious changes in donor behaviour and culture, both at the field and headquarter levels. Progress has been limited – this is a long-term challenge (see below).

There are clear trends toward “donor crowding” around attractive issues for international cooperation, and this risks raising transaction costs. Donors continue to provide incentives for the adoption/implementation of “their” projects and programs, bypassing national procedures in order to achieve short-term gains. Sectorial approaches continue to be imposed by the donors. The persistence of these behaviours undermines Bolivia’s reform process – particularly institutional reform and decentralization.

Donors should decentralize more competence and authority to Bolivia and move forward on harmonization. Despite the efforts made toward basket funding and SWAPs, it has been difficult for international partners to abandon their penchant for micro-management. This is often explained – to some extent legitimately – by concerns about corruption.

## **5.4 Results Orientation**

### *Achievements*

Both Government and donors are now more focused on results – at the local and central levels. The BPRS puts great emphasis on tracking results and has established indicators at many levels. Decentralization policy includes provisions for local monitoring mechanisms.

### *Challenges*

The proposed measurement systems are ambitious and institutional capacity to implement them is weak, particularly at the municipal level. This suggests a need to simplify the systems as well as deliver targeted capacity building assistance.

Donors find it difficult to shift from a culture of control to a results-based approach in a country with high levels of corruption and no tradition of accountability.

Both donors and the Government continue to focus on delivery, but the accompanying disbursement pressures can undermine the effectiveness of the evaluation function – particularly linking learning to new programs. There are currently multiple and parallel mechanisms for social control/accountability (democratic vote, vigilante committees, BPRS mechanism). Strategic clarity is needed about the roles of the various oversight bodies.

# 6. Other specific evaluations and studies

## **6.1 Evaluation of Sweden's and Holland's Strategies for the Promotion of Gender Equality in Bolivia**

As close partners in support for gender equality in Bolivia, Sweden and Holland has performed an external gender evaluation of the two countries development cooperation with Bolivia. The Danish consultancy firm, COWI International, was contracted for the services. The purpose of the evaluation was to assess to which extent the Swedish and Dutch contributions, and the two cooperations' respective way of planning, had been strategic in relation to international gender politics, Bolivian national gender politics and gender policies and country guidelines of the two cooperations.

### *6.1.1 General conclusions about the Swedish efforts:*

Sweden (S) has played an important role in the promotion of gender in the policy dialogue with Bolivia by stressing gender aspects in annual review- and CG-meetings and in its continuous support to Vice Ministry for Gender, Generational and Family Issues (VAGGF). S and Holland (NL) have also been considered an informal (when not formal) leader of the Inter-agency committee for gender. S's support to gender specific projects/programs has been relevant. Although being well provided in terms of internal policies, action plans and guidelines S has however not succeeded in the mainstreaming of gender in its support to other sectors. One explanation for this is that these policies have not yet been adapted to the Sector Wide Approach. Thus Sida personnel lack necessary tools and expertise to mainstream gender sector-wide. NL has succeeded better in mainstreaming despite a general lack of policies. The consultants emphasize the organization of the Dutch cooperation as a probable explanation to its relative success. NL has concentrated its cooperation program to only three sectors, and furthermore has mainstreaming specialists (one in gender) that assist the sector experts in meetings and in the revision of documents, ToR etc.

### *6.1.2 Recommendations:*

- Strategic support for gender mainstreaming at the national level should be maintained on the basis of the strong links with poverty

reduction. The national politics/gender plans supported by S and NL provide an excellent platform for the promotion of gender equality in Bolivia.

- Gender specific programs should be maintained but institutionalised within relevant ministries for better sustainability.
- Sex disaggregated statistics will continue to be a pre-requisite for sound analyses of gender equality in all sectors. The fundamental challenge in this is, however, to foster a culture of reliance upon and use of statistics within the Bolivian Government and the society at large.
- Sida should strengthen its capacity for gender analysis and mainstreaming. To strengthen the gender expertise two alternative recommendations were made: 1) full time gender expert/appointed official 2) adapt S's gender policy to SWAP and provide gender training and tools to sector officials. As immediate effort, S should create a modality through which gender capacity building of its staff could be achieved. A reduction of the number of sectors that Sweden is present in, is proposed in order to improve the possibility of Sweden to promote its development policy objectives in Bolivia, including that concerning gender equality.
- Both co-operations should promote a more systematic integration of the gender perspective throughout the program cycle. Qualitative and quantitative gender indicators should be explicitly included in the different phases. Where relevant, gender expertise should be included as part of the planning, review and evaluation of the different sector programs. This would ensure a more integrated and coordinated approach between the support to the VAGGF and the mainstreaming activities.

#### *6.1.3 Sida's comments:*

Sida agrees with many of the findings and recommendation of the evaluation. It is interesting that an evaluation with a mainstreaming subject in focus explores central aspects of the overall organization of the work of a Swedish co-operation program as such. Sida will analyse how its organization can improve with the purpose to mainstream gender more consistently, and if lessons can be learnt by studying the Dutch model.

## **6.2. The private sector study**

The Swedish support to private sector development (PSD) in Bolivia, started in 1993. The support has been organised in direct co-operation with private organisations and the principal counterpart has been the regional chamber of industry in Santa Cruz (CAINCO), through its special unit PDEB (Programa de Desarrollo Emprearial Boliviano). Key sectors of co-operation have been the forest sector industry, the capital market development, environment protection and quality, legislation and promotion of business contacts, generally oriented to strengthen the institutional capacity of the country.

The total Swedish contribution supporting private sector development in Bolivia amounts to MSEK 132,0, during the period 1993–2001, to which can be added a local contribution of around MSEK 15,0. After a steady increase until 1999, activity within the programme declined

during the last two years due to a re-organisation of the co-ordination and management of the programme on the Swedish side.

Sida contracted a Swedish and two Bolivian consultants to make a study on Private Sector Development as a background for the new strategy.

The main conclusions of the study were the following:

- The change within the program towards more local initiatives is positive, and projects should be chosen which are directed more towards poverty reduction
- Sida should continue to support the PDEB program within CAINCO.
- The Swedish resource base should be used to the extent possible
- Sida should continue to support the forest industry sector
- Aid coordination should be improved in the sector
- Support to the informal sector should be explored as well as the possibility to channel support through UNDP

### **6.3 Evaluation of the Forest Industry Development Program (FIDP)**

The main objective of the programme was to develop the forest industry sector in Bolivia based in sustainable management and logging of the forest. The operational objective of the program was to plan and implement actions for better forest management, industrial processes and commercialisation in cooperation with the forest industry in the country. The project was carried out during the period of 1997-2001. The total cost of the project was 22,8 MSEK.

The FIDP was designed to have 4 components: a) the forestry component, b) the industry component, c) the marketing component, and d) the institutional strengthening component

Jaakko Pöyry Consulting AB, undertook the evaluation of the program at the end of 2001 and found that the overall performance of FIDP has been satisfactory to good, with the forestry component having had a good to excellent and the industrial component a satisfactory to good performance, whereas the marketing component, while showing good progress in promoting markets for certified non-traditional species, has had a limited success in improving the marketing systems of the client industries. The institutional strengthening has not proceeded quite as expected. Of the overall objectives, about 80% has been achieved. Most of the reasons for low performance have been caused by factors external to the project and its management team.

The most important results were the following:

- Close to 1 million hectares have been mapped in forest management plans – the share of the pilot companies is 85%. The forestry component has been able to respond positively to most issues brought about by the new forestry law, and a sufficient technical capability in mapping and forest management planning exist in PROMABOSQUE – which is a good base for the continued work after FIDP ends.
- The Industry component has reached about 60 or 70% of its targets, with the main problem area being the investments, which have not been made in the proposed new production lines. The reason is lack of financing, for which no solution has so far been found. Overall, the industry component has been able to respond well to technical issues, but as yet not to financial ones.

- The main achievements of the Marketing component are the increase in markets for certified wood<sup>3</sup>, and the founding of BoWo (Bolivian Wood). BoWo is a Bolivian-Swedish marketing company registered in Bolivia, aimed to promote Bolivian wood products in European markets.

## 6.4 Evaluation of the Industrial Environment Protection Program (PAIB)

The main objective of the programme was to provide Bolivian industrial companies with professional assistance in environmental protection matters through the establishment of multidisciplinary Environmental Protection Units (EPU) within four regional Chambers of Industry.

The operational objectives were to plan and implement a training programme for the personnel of the EPU as well as for key personnel from the CNI-member industries and from relevant public sector organisations. The project was carried out during the period of 1998–2001 and the cost of the project was mSEK 13,8.

Jaako Pöyry Consulting AB, which evaluated the program at the end of 2000 found that the project had been implemented in a good and organised way and had received very good opinions from all parties involved. However no consideration had been given to make the achievements sustainable or to set up a functioning post project organisation for continued work.

In general PAIB achieved a number of results, of which the most significant are mentioned below:

- Intensified work within the chambers of industry with environmental issues. The intensified work has strengthened the role of the chambers in the society with regards to the development of environmental strategies, trends and politics.
- 101 persons have passed the final exam of the training program. An estimated 50% of the trained will be able to continue to work within the environmental sector. However, it is doubtful if any of them could take on general environmental consultancy assignments on a professional basis. The knowledge obtained is probably too general.
- 12 industries have received recommendations aiming at decreasing their environmental impact. Some of these industries have made the recommendations part of their planned programs.
- 83 industries have received professional advice in relation to mitigation of the environmental impacts through the thesis works of the students.
- Creation of interest within the universities for environmental curricula of interest in including the PAIB training program into existing curricula. Especially the practical component of the PAIB program has aroused interest among the universities. The possibility of the universities to take advantage of the material is, though, relatively small so far.
- Increased interest for and awareness of environmental issues to a large number of entities outside of the PAIB programme that have got into contact with some of those involved in PAIB I.

<sup>3</sup> certified wood meaning forest that has been controlled and certified for sustainable use.



Finally some lessons learned should be considered as obstacles in the design of the second phase: Low willingness to co-operation between the departments of Bolivia, use of the Spanish language is important, personal contacts are extremely important, lack of project management competence, inadequate personnel at municipal councils and authorities, high rotation speed among public personnel, low compliance with the environmental laws in Bolivia and low openness within the Bolivian industry.

## **6.5 Evaluation of the Institutional Reform Program (PRI)**

In February 2002 external consultants made an independent evaluation of the level of fulfilment of the intermediate PRI objectives, of the future prospects of the programme and the probability to reach the long-term objectives of the programme. The evaluators considered the political and social context in which the reform is taking place in order to better understand the challenges that this kind of program could face.

The evaluation comes up with a number of problems faced by the institutions in reform: a) sometimes there is a lack of political leadership in the institutions and a team that can move the reform process forward, b) the indicators for evaluating the fulfilment of the PRI objectives are not that clear and would need to be adjusted, c) within the institutions in reform there are units already in the process and others that have not yet started. This, sometimes tense, relationship must be taken into account, and this goes for the relationship between reformed and not reformed institutions as well, d) apart from the institutions directly involved with the PRI there is a scarce knowledge about the program and its implications within the public sector and among the citizens, e) the program has not enough focused on the integration of indigenous and gender aspects in the program f) the Superintendent of the Civil Service (SSC) has not yet started to perform his crucial functions like for example convalidation of the personnel into the “carrera administrativa”. It is very important that the superintendent start to work efficiently, if not the whole reform process could be in danger, g) The National Service of Administration of Personnel (SNAP) is still a bit unclear of its roles and functions. There is an overlap of competencies and tasks with other institutions (not the least the SSC) which has to be addressed.

The evaluators state that these kinds of processes of nature are slow and that it takes time before you have concrete results. Moreover, they saw the change of President in August 2001 as a very important step to move the PRI forward more rapidly.

The evaluators finish with a number of recommendations for the future of PRI: 1) PRI has to be a part of an integrated vision shared by the relevant actors on how the country should develop institutionally in a long-term perspective to reach human development, 2) PRI should be less technocratic and more take into consideration the political, economical and social context it is developing in. Analysis has to be made on important actors that can hinder or drive the reform process and it has to be made clear to the public what are the costs and benefits with this kind of process, 3) the technical unit should get capacity in change management to be able to lead the new phase of PRI which is not that much about producing ARIs as leading change within institutions, 4) indig-

enous and gender aspects have to be stressed much more in the next phase, 5) the international donors need to be better co-ordinated and help the Bolivians to elaborate and own their own strategy of institutional development, 6) a communication programme is crucial in order to make the public and public officials see the costs/benefits for the country if the reforms don't take place and also to make them feel ownership over the reforms, 7) the recommendation is that the technical unit is placed in the Vice Presidents office, 8) it is important that SNAP and the SSC is strengthened as they are key institutions for driving the process forward. There has to be clarification of the competencies and roles of the two institutions and also about the legal and normative framework that they should work within. The superintendent has to be supported so he can perform his task of convalidating the personnel in the "carrera administrativa".

*Sida comments:*

The evaluation of PRI was made in February and focused mainly on the political context and the long-term sustainability of PRI. Following are some of the concrete developments within the programme up until May 2002.

The change of president in August 2001 was important for the programme. The new president Quiroga is a reformer and was the one who initiated the PRI. In the end of 2001 and beginning of 2002 the programme has gained a certain momentum. More than 900 hundred persons have been contracted through competitive exams and the superintendent has started the important job of convalidating the personnel in the Customs Service and will continue with the personnel in the Ministry of Agriculture and DUF.

Five institutions have signed the Institutional Reform Agreement and one more is on its way. Of these institutions, The Customs Board, The National Tax Authority and the National Roads Board have traditionally been nests of political corruption and including them in the reforms is a very important step towards a functioning Public Administration. Of these institutions the Customs Board have come the furthest with the efforts to become a transparent and efficient public body.

Concerning indigenous and gender issues there is an increasing awareness of the importance of these issues and recently two evaluations have been made on how to make these themes an integral part of the PRI in the future. There is also an increased focus on the importance of communications and a strategy is being elaborated. This is also something that Sida is going to stress in the preparations of phase 2. SNAP and SSC have also started their work in clarifying their respective roles with joint seminars and workshops and to study the legal and normative framework in order to come up with suggestions on how to improve it. Moreover there is a consensus among the Bolivians and the donors that PRI should not be a project on the side of other reform-programs in Bolivia. Rather it has to be seen as an integrated part of different initiatives to develop the Bolivian society.

PRI is probably one of the most important reforms in Bolivia today as it is aiming for an efficient, results based, non-corrupt public administration. It is a long-term process that recently has shown important

progress and the potential impact that a functioning and thrust-worthy public sector can have on the development of Bolivia, both economically and politically, is great.

## **6.6 Revision of the Unicef Program PROANDES**

A group of Bolivian consultants contracted by UNICEF made a mid-term revision of the program PROANDES 1998–2001 in Bolivia in December 2001 which was part of the revision of a regional program. The evaluation looked at the four components, which are included in the “Social Program through UNICEF”. Sida is supporting PROANDES and Unicef in Bolivia since 1989 and has recently entered into a new agreement with PROANDES on support to its water and sanitation component.

The most important conclusions were:

- PROANDES has evolved from the initial approach of providing basis services and turned into actions, which influence on the quality of life of the population and which are directed at processes of mobilization and organization of the communities, where the inhabitants assume a stronger role with regard to in its own development.
- The investments in human and social capital of PROANDES constitute the base to produce these social changes at the individual and communal level, even if the institutional support is not yet present.
- The program up to now fulfils its role of protection and defence for the rights of the women and the children, with actions developed with the participation of the communal and municipal authorities, the sectors of education, health and sanitation. The non-governmental organizations and international cooperation work together.
- PROANDES has in some communities reached more than 90% of the population with different projects. A different attitude has been observed after that 80% of the program has been carried out with more self-management, transferring the responsibility for the projects to the municipality or the community organization.

The main recommendations for the remaining period are the following:

- Strengthen capacity building of municipal governments and community organizations, both at individual and collective level.
- Consolidate and transfer to the Municipal Governments and organizations the responsibility of the management of the projects in implementation, with institutional follow-up to ensure the sustainability of the investment.
- Work in the communities with priority to complete the actions of the projects with an integrated approach: Alphabetisation, water, sanitation, micro credits, integrated development of women and children.
- Strengthen the actions of follow up and supervision, and the systematisation of the actions developed by PROANDES, to contribute to the building of educational models and replicable services.

PROANDES should develop an information system, which permits the actual knowledge of the advances of the projects and the incorporation during the process of modifications, corrections and or reformulation of programs.





*Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.*



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