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# Evaluation of the European Union's Cooperation with Bolivia

Summary

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The full report can be found on the  
"International Cooperation and Development" website :  
[http://ec.europa.eu/europeaid/node/80199\\_en](http://ec.europa.eu/europeaid/node/80199_en)

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# Evaluation of the European Union's Cooperation with Bolivia

## Executive Summary

The **evaluation of the European Union (EU) cooperation with Bolivia** between 2007 and 2013 took one year to prepare, between December 2013 and December 2014. Its objectives were: (a) to provide the European Commission services and the public at large with an independent evaluation of past and present cooperation and association relations between the EU and Bolivia; and (b) to identify lessons learned and formulate recommendations to improve the current and future strategies of the EU programmes and actions in Bolivia. Based on the Terms of Reference (ToR), the following key question was posed: **How far has the cooperation with the EU contributed to generating changes in Bolivia's development and well-being of its people, taking into consideration the political priorities defined by the country itself?**

### Main findings of the evaluation

1. The **objectives of the EU cooperation in Bolivia and its strategy do respond to the country's development priorities** and to its evolution in time, applying participation, equity, environmental sustainability and risk management cross-cutting approaches. The EU has also shown high capacity to adapt to the structural changes taking place in Bolivia since 2006, taking advantage of high-level political dialogue spaces concerning sector policies and technical issues. The strategy of the EU, as well as its capacity of adaptation, is highly valued by the main interested parties (official channels and civil society) at local, regional and national

level. **A high degree of programme ownership by government institutions can be observed.** There is also coherence between programme design and instruments and government policies that look for, in a cross-cutting manner, the institutional strengthening of sectors, as well as high civil society participation within the framework of policies. **The support given by the EU to initiatives concerning comprehensive innovative policies is highly valued by the Government of Bolivia.** The EU has promoted processes such as: (a) redefining new strategies based on lessons learned; (b) innovative policy lines that take into account progress made within the framework of preceding assistance (ASPNC II and PAPS II); (c) design of a comprehensive plan for sector 3 (Water), which is expected to articulate the three sub-sectors (Water Resources, Environment and Water and Basic Sanitation). This period concludes with the creation of the European Coordinated Response (ECR), developed and approved by the Delegation (EUD) and the representatives of the EU Member States. The ECR proposes to deepen the division of work, as well as to improve coordination and complementarity based on the added value of the different interventions performed.

2. The main interested parties confirm that **the selection of instruments (geographic and thematic), execution modalities and their combination have been mostly appropriate,** facilitating the achievement of programmed objectives and promoting internal coherence and articulation within the framework of the cooperation strategy of the EU in Bolivia. The existing fluid dialogue and coordination between the EUD in Bolivia, Brussels, the EUD in Peru (to provide support to the Andean Community – CAN), as well as with beneficiaries, have influenced the quality and adequate combination of thematic and geographic instruments, promoting cross-cutting approaches for social participation, decentralization, regional integration and accountability. ECHO and the EUD in Bolivia have reached exemplary articulation on issues concerning disaster risk management.

3. **The activities of the EU in favour of the productive sector (Sector 1 of CSP), in general terms, met the expected outcomes, in spite of serious early implementation delays.** The **financial transfer tool** (from the State to productive units and “collectives”<sup>1</sup>, considered as a good innovative practice) became, a posteriori of the EU support, **one of the main working modes of the Government of Bolivia.** In general terms, the generation of specific institutional capacities was not as widespread as expected. However, the support of the EU was an essential element to strengthen the general operation of supported institutions, especially the Vice Ministry of Trade and Plural Economy and the Productive Development Bank (BDP). Activities financed through both National Indicative Programmes (NIP) managed by the EUD to implement the Country Strategy Paper (CSP) were appropriately complemented with regional activities of the EU (AL-Invest and Urb-AL), which also achieved their expected outcomes in a satisfactorily manner.
4. **The assistance of the EU, via budget support, to food security with sovereignty policies (through PASA), has enabled the Government of Bolivia to achieve impressive outcomes in this area. The magnitude of these improvements will probably enable the fulfilment of nutrition-related MDGs, a fact that until just recently was not deemed possible.** The success of these activities is based on, according to this evaluation, two special conditions: Firstly, the work of APS PASA is only the last stage of the food security support work of the EU consolidated in Bolivia during the past 15 years, suitably building upon the outcomes of previous years. The sequence of thematic activities was properly planned with an initial stage of productive infrastructure followed by a community organisation stage and a final stage of direct support to food production. The second element of this success lies in the fact that, beginning in 2007, many of the outcomes of the activities of the EU in support of the productive sector converged on food security because producers benefited from the activities related to the implementation of the Ministry of Rural Development and Land’s

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<sup>1</sup> The MAS, the ruling party since 2006, defines “collectives” rather than the individual as the subject of politics; following this rationale any government support (in the productive sector) mostly goes to collective groups and not to individuals.

sector policy (MDRyT), as well as potentially from the outcomes of the PAMEFF (greater access to credit), PRODUCE and PROEX programmes.

5. **The EU cooperation with Bolivia, along the evaluation period, in matters concerning the fight against drug trafficking has enabled government institutions to shift the dynamics of their relation with civil society organisations (CSOs) and international cooperation agencies.** For this purpose, support actions prioritizing institutional strengthening and the growing articulation between the government and the civil society were performed. This shift in the way the fight against drug trafficking is implemented has meant a rethinking of the way in which sector policies are applied, coinciding with the democratic principles concerning social inclusion, human rights and equity. Following this logic, a net reduction of coca-leaf crops, during the past consecutive three years, could be achieved without registering important confrontation or violence cases.
6. **Furthermore, the EU cooperation with Bolivia has enabled the stimulation of investments in the environmental sector in agreement with sector policies.** It has promoted a comprehensive approach to the management of natural resources and water, with the participation of state and non-state sectors, and it has integrated climate change and disaster risk management to public policies, as well as in relation to its own support strategies.

The main achievements of this process are: (a) increase of water and sanitation coverage as progress toward the fulfilment of the Millennium Development Goals (MDGs) and the Human Right to Water (in particular with respect to access to drinking water); (b) consolidation of the National Basin Plan as a genuine planning instrument, which in its second stage includes a programme for climate resilience; and (c) creation of synergies with ECHO to integrate climate change and disaster risk management to the policy. The EU is recognized for having promoted coordination, political dialogue and management for results within this sector, enabling working in a strategic and structural manner. Furthermore, this dialogue has favoured the increase of state resources for biodiversity management and protected areas, enabling the joint development of

the sector's comprehensive plan, which addresses the new paradigms established in the "Mother Earth Law" related to the goals of the "2025 Patriotic Agenda of Bolivia" and main existing environmental issues. The comprehensive plan has generated high expectations by national authorities and has become a future major proposal for the sector.

- 7. Good governance, human rights and civil society are areas included as cross-cutting issues in the strategy of the EU-Bolivia 2007-2013 bilateral cooperation.** No specific projects related to these issues were included in the country programme except for the support provided to civil society through the thematic lines of non-state actors (NSA) and the work of ECHO and DIPECHO in humanitarian issues and civil society favourable outcomes concerning the enforcement of human rights, resulting from interventions in the central axis of the country programme (i.e. access to water, food or income generation).

During this period, the EU strategies in Bolivia have contributed to supporting change processes concerning structural aspects, which were at the root of the conflict lived during the first years of the new century such as: (a) an extremely fragmented and confronted civil society; (b) persistent exclusion, poverty and inequality affecting most of the population; and (c) profound institutional weakness and resulting lack of instruments to face crises, develop specific instruments that address the structural causes of the conflict, promote good governance, and reinforce democracy in all cooperation activities.

- 8. With respect to the sector budget support (SBS) modality in Bolivia, it is possible to verify the favourable effects of the way in which foreign assistance is provided on public policies supported and on its budgets.** SBSs have promoted the strengthening of formal national frameworks related to political dialogue between the Government of Bolivia, donors and non-state actors, leading to a) implementation of government strategies, and b) alignment and harmonization of cooperation focusing on national budget processes with strong commitment, leader- as well as ownership by the government. In Bolivia, available assistance has

increased through the national budget as a function of SBS, basket funds and policy-based credits, all aligned around strengthened policy instruments, following a management for results approach and reduction of transaction costs.

## General conclusion

The **general conclusion** of the evaluation of the EU - Bolivia cooperation is positive. Although the period 2007 – 2013 had “lights and shadows”, the positives by far outweighed the negatives. Based on the five evaluation criteria of the OECD/DAC, the following are the **specific conclusions** reached by the evaluators:

1. **The EU’s 2007 – 2013 Cooperation Programme with Bolivia was relevant** because it focused on the country’s priority issues as stated in the National Development Plan (PND), see for example:  
the initiatives to reverse low employment rates in spite of high economic growth; a historical paradigm shift with respect to the definition and implementation of a policy to control coca crops; the expansion of previously delayed water and sanitation coverage together with the management of water basins; and the support provided to cross-cutting issues, which becomes especially relevant within the context of the deep structural changes since 2006.
2. **The implementation of the Programme was effective** because it managed to help establish new models for public policy interventions (transferences and social control), within the Government of Bolivia, which have shown good operation and capacity to generate the expected results. The cooperation provided by the EU to Bolivia has contributed to strengthening the budgeting processes and increased the quality of the sector policies’ formulation, which beyond pertinent concepts and approaches, has found the appropriate tools necessary for an implementation that enables progressing toward expected outcomes and has room for future expansion.

3. The high levels of execution of the resources assigned to the Country Programme, in spite of early delays, **are a good sign of efficiency although the outcomes in the different axes varied**. In general, goals were reached within programmed costs.
4. Although this evaluation did not attempt to analyse the impact generated by the implementation of the Country Programme, whose materialization requires a longer period of time, three findings were identified: (a) a significant contribution was made to the impending fulfilment of MDGs related to water and sanitation, nutrition and food security; (b) the coca production was substantially reduced; and (c) contribution was provided to employment generation.
5. **The sustainability perspectives of the implementation of policies achieved with EU support are encouraging**. Intervention modalities are already established and in the hands of the government, which has already started to assign more resources to implement sector policies that had initially relied on the support provided by the EU.

## Recommendations

Therefore, taking into consideration that there are still a number of aspects to improve, the evaluation makes the following **recommendations**:

### *With respect to Strategic Alignment and Instruments adopted*

1. **Ensure work distribution based on the added value that can be contributed by the EC and each EU Member State**, which should be reflected as joint programming and strategy on part of the EU Member States, starting in 2017, completely aligned with the running Government Plan and the 2025 Patriotic Agenda.

2. **Promote the scaling up and appropriate combination of the project approach and budget support.** The project approach requires an existing institutional settlement and management units to be inserted in this setting to promote sustainable achievements and a nimbler start up. A scaled-up combination with subsequent sector budget support offers motivation for successful processes concerning institutional and capacity strengthening and policy innovation. On the other hand, the **incorporation of an institutional strengthening and capacity development axis should be promoted** as a component of each supported sector policy.
3. Just as sector budget support contributions for policy dialogue and budget support are inserted into existing national strategies, the **development of capacities to be inserted in an existing national strategy should be promoted.** If this strategy does not exist, **promote and/or support its design.** Furthermore, **the strengthening of public finance management should be promoted to ensure the efficiency and effectiveness of public management.**

**This should be done by means of a sector dialogue that guarantees the sustainability** of the modality now under the full application of the fungible and traceable funding principle, as well as the predictability of funds, matching SBS schedules with those of the national budget.

4. **Pay more attention to quality risks facing projects implemented within an environment in which political criteria prevail over technical implementation criteria.** In addition, it will be convenient to have contingency plans or diverse mechanisms for the early termination activities.
5. **Promote the measurement of the effects/impacts of the implementation of sector public policies.** This task will require dynamic work to strengthen capacities to generate information and monitoring systems appropriate for this purpose. It is recommended to promote appropriate coordination with the National Institute of Statistics (INE), starting with policy formulation.

With respect to supported sectors

6. Suggest that the Government of Bolivia carries out a **detailed analysis of experiences gained from the implementation of transfer-payments to productive sectors**, from an institutional perspective and the perspective of beneficiaries, to identify good practices and lessons learned. These lessons learned may strengthen the sector support exit strategy, whose definition is still pending on the part of the EUD.
7. Perform an **exhaustive analysis of the mechanisms behind food security improvement** and of the forces determining its progress, to be able to perform adjustments to intervention models and tools; for example, based on the needs of different geographical regions or types of products. Simultaneously, take advantage of the opportunity to analyse the contribution of the achievements made in food security to the generation of employment or income (poverty reduction).
8. Reinforce the development of capacities and institutional strengthening. Specifically, update existing regulations to **consolidate new dynamics for the fight against drug trafficking and the comprehensive development with coca**. It is recommended to continue the promotion of **participation of civil society organizations in the design and implementation** of comprehensive development strategic perspectives with coca and the fight against drug trafficking.
9. **Intensify efforts concerning basic sanitation issues, establishing efficient network management and promoting the application of financial mechanisms that ensure service operation and maintenance**. To ensure the quantity and quality of services, the sector has to take into consideration environmental management and the application of comprehensive basin management. Furthermore, it should promote the **measurement of the effects/impacts of the implementation of sector public policies** on social, environmental, socio-productive and local economic development aspects, because the purpose of the

intervention strategy of the EU with respect to this sector is to promote local development, which will have an impact on poverty mitigation through sustainable practices.

10. **Support the consolidation of the new expanded civil society**, without it losing diversity and autonomy. This can be attained by reinforcing and consolidating important achievements made related to cross-cutting issues such as good governance, human rights and the support of civil society. More emphasis should be placed on the justice axis of the future cooperation strategy.



