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Agence canadienne de  
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# Bolivia Country Program Evaluation

## Executive Report

**Performance and Knowledge Management Branch**

**Canadian International Development Agency**

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The Management Response to the findings and recommendations outlined in this evaluation (included as chapter 6 of this report) indicates that the Bolivia program is proactively addressing the recommendations and is taking action to further improve program management and delivery.

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## **Acronyms and Abbreviations**

BCHR	Building Capacity for Health Reform
BCP	Bolivia Country Program
CAF	Corporación Andina de Fomento
CDPF	Country Development Programming Framework
CIDA	Canadian International Development Agency
CEA	Canadian Executing Agency
CECI	Centre d'étude et de coopération internationale
CESO	Canadian Executive Services Overseas
CFLI	Canadian Fund for Local Initiatives
CIDA	Canadian International Development Agency
CIDOB	Confederation of Indigenous Peoples of Bolivia
CIS	Cooperativa Integral de Servicios
COMIBOL	Corporacion Minera de Bolivia
CPB	Canadian Partnership Branch
CPE	Country Program Evaluation
CSIH	Canadian Society for International Health
DAC	Development Assistance Committee
DP	Defensor del Pueblo
ES	Environmental Sustainability
EU	European Union
ESMAP	Energy Sector Management Assistance Program (World Bank)
FAO	Food and Agriculture Organization of the United Nations
FCM	Federation of Canadian Municipalities
FONPLATA	Fondo Financiero para el Desarrollo de la Cuenca del Plata
FLARSP	Local Fund For Public Sector Reforms
FY	Fiscal Year
GDP	Gross Domestic Product
GE	Gender Equality
GEF	Gender Equality Fund
GGI	Goss Gilroy Inc.
GDP	Gross Domestic Product
GNP	Gross National Product
GoB	Government of Bolivia
GSH	Gerencia Sectorial de Hidrocarburos
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
HQ	Headquarters
HTU	Hydrocarbon Technical Units
INE	Instituto Nacional de Estadística
PBA	Program Based Approach
PKMB	Performance and Knowledge Management Branch
PTL	Project Team Leader
PND	Plan Nacional de Desarrollo
PPR	Program Performance Report

## **Acronyms and Abbreviations**

PROSIAS	Proyecto de Sistema de Informacion de Agua y Saneamiento
PRSP	Poverty Reduction Strategy Paper
PSRP	Public Service Reform Project
PSU	Program Support Unit
RBM	Results Based Management
SAE	Strengthening Aid Effectiveness
SBS	Seguro Basico de Salud
SNMN	Seguro Nacional para las Madres y Ninos
SEDES	Servicios Departamentales de Salud
SERGEOTECMIN	Servicio Nacional de Geologia y Tecnico de Minas
SIRESE	Sistema de Regulacion Sectorial
SUMI	Seguro Universal Materno Infantil
SWAp	Sector Wide Approach
TCF	Trillion Cubic Feet
UNESCO	United Nations Educational Scientific and Cultural Organization
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
VA	Volunteer Advisor
VIPFE	Viceministerio de Inversión Pública y Financiamiento Externo
VMBS	Vice Ministry of Basic Services
VMMN	Vice Ministry of Mines and Metallurgy of Bolivia
WB	World Bank
YPFB	Yacimientos Petroliferos Fiscales Boliviano



## **1.0 Introduction**

This report outlines the findings of the Bolivia Country Program (BCP) evaluation for the period 1995 to 2005. It will provide an input into the new Country Development Programming Framework (CDPF) which will establish programming priorities between 2008 and 2015.

### **1.1 Evaluation Background**

A systematic and timely evaluation of its country programs is an important means for the Agency to promote lessons learned, advance good practices, strengthen aid effectiveness, provide accountability and inform its future strategy. In addition, Bolivia is a development partner whose rapidly evolving political and economic situation requires an in-depth analysis of results achieved so as to better focus future programming.

### **1.2 Evaluation Objectives and Key Issues**

There were 8 key issues addressed in this evaluation:

#### **Issue 1 – Relevance of the Bolivia Country Program**

Are the governing assumptions and key programming components in the Country Program still relevant in light of the evolving context? Do other donors in Bolivia perceive the CIDA program as relevant? Has CIDA anticipated risks and adapted the Program to the evolving context in Bolivia?

#### **Issue 2 – Results Achievement**

What outcomes, especially those related to governance, health, water and sanitation, have been achieved? What results have been achieved in CIDA's Key Agency Priorities (Economic Well-Being including Reforms/Poverty Reduction, Social Development, Environmental Sustainability and Governance)?

#### **Issue 3 – Sustainability**

How has CIDA programming in Bolivia addressed sustainability issues? Have completed projects contributed to sustainable results in the chosen sectors of intervention?

#### **Issue 4 – Program Coherence**

Is the current country programming more than a collection of projects? Has CIDA developed its programming in a coherent manner?

### **Issue 5 – Program Management**

Have Program resources been managed to obtain outcomes?

### **Issue 6 – Strengthening Aid Effectiveness**

To what extent is the program consistent with key Strengthening Aid Effectiveness principles of local ownership, improved donor coordination and stronger partnerships in a country where the CIDA program is relatively small and Canada is one donor among many?

### **Issue 7 – Cost-effectiveness<sup>1</sup>**

Do the benefits of projects and the Program outweigh the costs?

### **Issue 8 – Lessons Learned and Recommendations**

Given the principles of Aid Effectiveness and the evolving context in Bolivia, what lessons have been learned from different programming modalities in Bolivia?

## **1.3 Evaluation Approach**

In line with the emerging international development context, the Evaluation used multiple lenses to assess the BCP, notably *CIDA's Framework for Results and Key Success Factors*<sup>2</sup> and *CIDA's Policy on Gender Equality*<sup>3</sup>.

The evaluation also took into account the fact that the policy environment within CIDA has been influenced by an evolving global agenda. For instance, the Decade for Women (1975-85), starting with the International Conference on Women (1975), sparked CIDA's work on gender equality in succeeding decades. In the period covered by the evaluation, the gender perspective at CIDA was Gender and Development (GAD), which then evolved into the Gender Equality Policy (1999). Likewise, CIDA's Policy on Environmental Sustainability (1992) was influenced by the Rio Summit on the Environment.

There also has been mounting pressure for donors to adhere and commit to principles of effective development, sparked by *Shaping the 21<sup>st</sup> Century*<sup>4</sup> in 1996, a publication based on lessons learned over decades of development cooperation. Donors have increasingly adopted measures and policies to reflect these principles, which include the Millennium Development Goals (MDGs) in 2000, as a focus to measure progress, culminating with

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<sup>1</sup> Given the scope of the evaluation and the difficulty of measuring cost-effectiveness of development interventions, the evaluation will focus on factors such management costs, sustainability and availability of human resources in Bolivia.

<sup>2</sup> <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/REN-21813284-PQ4>

<sup>3</sup> <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/EMA-218123616-NN9#8>

<sup>4</sup> Development Assistance Committee, *Shaping the 21<sup>st</sup> Century, The Contribution of Development Cooperation*, May 1996, p. 17.

the Paris Declaration in 2005, to which Canada is a signatory. The principles for effective and sustainable development contained in the *Paris Declaration on Aid Effectiveness* (2005) are reflected in CIDA's *Policy Statement on Aid Effectiveness*<sup>5</sup> and *Shaping the 21<sup>st</sup> Century*.

Within this larger framework, good governance and poverty reduction/alleviation were singled out as central themes for achieving development goals. Accompanying these changes was a significant shift away from project-based approaches, towards program-based approaches<sup>6</sup>. The most common approaches adopted by CIDA are budgetary support and Sector Wide approaches.

The report examines the impact of these changes on CIDA programming in Bolivia.

The evaluation team also assessed CIDA programming in the context of policies, strategies and practices extant at the time particular initiatives were implemented. Nevertheless, such policies as gender equality or Results-Based Management, amongst others, were introduced before they became official CIDA policy.

## **2.0 Methodology**

To ensure triangulation of the data, multiple lines of inquiry included primary and secondary data sources. Data collection methods used were: a) literature and program/project document review; b) semi-structured key informant interviews with a wide range of relevant stakeholders in Canada and Bolivia (110 people); and, c) site visits to selected projects.

The evaluation focused on bilateral projects, which account for about 70% of CIDA programming in Bolivia over the evaluation period, including the three thematic areas – health, water and sanitation, and governance. The latter comprise the primary area of focus for CIDA programming in Bolivia since 2003.

The evaluation did not review Partnership Branch and Multilateral programming in depth, although the review included two CPB projects. The total value of projects reviewed amounted to approximately CDN \$75 million, or 42 % of the total CIDA disbursements during the period (CDN \$180 millions), and 60 % of the Bolivia Bilateral Program. The projects assessed represented the full range of programming mechanisms employed by CIDA – directive, responsive, program approach and multi-donor funding.

The total value of projects reviewed (all CIDA Branches) amounted to approximately CDN \$75 million. The evaluation scope included all of the CIDA sectors, and include a sample of 15 projects and 63 sub-projects. Project data was gathered in the form of case studies to identify and illustrate the most important results at the sector level, and where

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<sup>5</sup> <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/prnEn/STE-32015515-SG4>

<sup>6</sup> Program Primer on Program Based Approaches, CIDA August 2003. A PBA is a way of engaging in development cooperation based on the principle of coordinated support for a locally owned program of development.

possible, the impact of investments on each of the sectors.

## **2.1 Constraints**

The Evaluation was constrained by the factors which are outlined below. In spite of these constraints, we were able to complete what we believe to be a balanced assessment of CIDA's Bolivia Country Program. The contribution through interviews of present and past CIDA and Government of Bolivia representatives, Multilateral and Bilateral Donors, as well as NGOs is gratefully acknowledged.

### **2.1.1 Some Gaps in Institutional Memory**

A key constraint was the staff turnover in partner organizations in Bolivia, which resulted in key informants being unavailable for the earlier projects in the 1995-2005 timeframe. As a result, the evaluation team had greater Bolivian beneficiary input for projects completed more recently.

During the review period, there was also turnover in the CIDA Bolivia Program staff at CIDA Headquarters, particularly since 2004. However, we managed to interview the Program Director (since 2002), the Heads of Aid and Program Officers involved in the program since 1995.

In addition, staff turnover had also recently occurred in the field among local advisors and Program Support Unit (PSU) staff. As a result, most of the local advisors were fairly new to the program, and at the time of the evaluation a new gender advisor had just been hired and was getting familiar with the CIDA Bolivia Program. While the evaluation team was able to meet with both the former PSU director and the gender advisor who had more than ten years experience with the BCP, naturally, interactions with these people were limited.

### **2.1.2 Inconsistency of Data**

When reviewing the Bolivian situation, inconsistencies were found in the financial and economic data among the different sources consulted, e.g. OECD, INE, VIPFE, World Bank.

### 3.0 Context

In 2005, Bolivia ranked 113 in the Human development Index<sup>7</sup> (only one point higher than in 1995 at 114)<sup>8</sup>, ahead of Haiti, Honduras and Guatemala in the region. Nearly 15% of Bolivians earn less than US\$1/day<sup>9</sup>, and almost 63% of the population live below the national poverty line<sup>10</sup>, significantly higher than the regional average of 36%.

Bolivia is also a country of great social disparities. Bolivian history has been marked by endemic social exclusion of the indigenous population, which comprises the majority of the population. The distribution of income is one of the most unequal in South America. The wealth in terms of assets of the richest 10 % of the population is 140 times greater than the poorest 10 % and the educational gap is approximately 8.5 years.

In the 1990s, successive governments made significant reforms, which redefined the role of the state and reoriented the economy towards a free market model. In the mid-1990s Bolivia also implemented decentralization and popular participation processes, which legitimized the role of a range of civil society and community actors in development processes for the first time in its history.

During that timeframe the country experienced economic growth, which landed Bolivia in the first round of multilateral debt reduction for *Highly Indebted Poor Countries* (HIPC) in 1998. In 1999, Bolivia developed a Poverty Reduction Strategy Paper (PRSP), enabling it to graduate to a second round of enhanced HIPC II debt relief in 2001.

However, the economy started to deteriorate in 1999 and earlier progress was reversed. This led to one of Bolivia's most acute periods of social and political instability. Within six years, Bolivia saw five successive presidents, and the Government nearly collapsed four times.

Also, despite many economic and social reforms of the 1990s and significant improvements in education and health indicators, poverty reduction did not materialize, in part because growth remained concentrated in the specialized and capital-intensive sectors that generated little employment: the hydrocarbons, telecommunications, financial services and modern agriculture sectors.

Rapid social and cultural changes in Bolivian society provoked a clash between modernity and tradition, massive rural – urban migration and a backlash on the US war on drugs all increasingly polarized the country, and led to a gradual empowerment of the marginalised populations. The decade-long resistance to the political and social status quo, both in rural areas and amongst the urban poor, created a climate for dramatic

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<sup>7</sup> [http://hdr.undp.org/reports/global/2005/pdf/presskit/HDR05\\_PKE\\_HDI.pdf](http://hdr.undp.org/reports/global/2005/pdf/presskit/HDR05_PKE_HDI.pdf)

<sup>8</sup> [http://pooh.undp.org/maindiv/hdr\\_dvpt/statistics/data/indic/indic\\_14\\_1\\_1.html](http://pooh.undp.org/maindiv/hdr_dvpt/statistics/data/indic/indic_14_1_1.html)

<sup>9</sup> UNDP, Human Development Report, 2004.

<sup>10</sup> According to the Bolivian PRSP, poverty is defined on the basis of a national poverty line. The poverty line approach is on the basis on a basket of basic food and non-food needs. The poverty line for 1999 was placed at US\$ 590 per person/per annum.

change, which legitimized alternative political structures and culminated in the election of Evo Morales from the Movimiento al Socialismo (MAS) Party in 2005.

Thus, the period under review can be divided into two. The first period was characterised by a busy reform agenda implemented in relative calm and stability between 1995 and 1999; the second period by intense social unrest and political turmoil between 2000 and 2005 that culminated with a radical change in the political landscape.

The evaluation relied on the development priorities identified by the Government of Bolivia between 1995 and 2005 (Table below), as well as the 2003 CDPF objectives, as a basis for the evaluation of the BCP.

<b>Bolivia and CIDA Development Priorities</b>	
1997-2002	2001-2005
<b>Bolivia Operational Action Plan</b>	<b>Bolivia Poverty Reduction Strategy Paper</b>
<ul style="list-style-type: none"> <li>• Equity: improve access to basic human needs, including decentralization and popular participation in political decision-making.</li> <li>• Opportunity: promote economic growth with a more equitable distribution of income, while improving physical and productive infrastructure.</li> <li>• Institutionalality: promote the rule of law, modernization of public sector administration, and anti-corruption programs<sup>11</sup>.</li> <li>• Dignity: eradication of illegal coca production through alternative development.</li> </ul>	<p><b>Primary Focus:</b> Poverty Reduction</p> <ul style="list-style-type: none"> <li>• Opportunities for employment and income for the poor (e.g., rural development through the improvement of rural infrastructure, micro-enterprises and small business, micro-financing, technological assistance, road infrastructure, land tenure);</li> <li>• Productive capacities of the poor: improve conditions and access to education, health, basic sanitation;</li> <li>• Security and protection for the poor to reduce vulnerability to violence and natural disasters;</li> <li>• Societal participation and integration of the poor in decision-making;</li> <li>• Institutional framework: promote good governance in the form of more efficient, transparent and accountable public institutions;</li> <li>• Crosscutting issues (indigenous and native peoples, gender equality and natural resources and environmental preservation).<sup>12</sup></li> </ul>

**CIDA- Bolivia Country Development Programming Framework – CDPF (2003-2007)**

**Core objective:** to reduce poverty and enhance the living standards and quality of life of poor Bolivians

**Strategic objectives:** 1) helping to meet the basic human needs of poverty-stricken Bolivians; and 2) consolidating Bolivia's economic and political reforms.

Three areas of focus:

- Health: improve access of poor women, men, boys and girls to essential health services, and enhance national and local institutional capacity in the health sector;
- Water and sanitation: improve access of poor women, men, boys and girls to potable water services, and bolster national and local institutional capacity in the water and sanitation sector;
- Modernization of the state (public sector reforms): improve regulatory capacity, public sector efficiency and democratic practices in selected institutions.

Gender Equality and Environmental Sustainability are addressed as crosscutting issues. The former is defined in the CDPF as the elimination of the disparities existing between men and women in terms of capabilities, opportunities, and participation, amongst others. Environmental Sustainability refers to the protection and effective management and preservation of the integrity of natural resources for future generations.

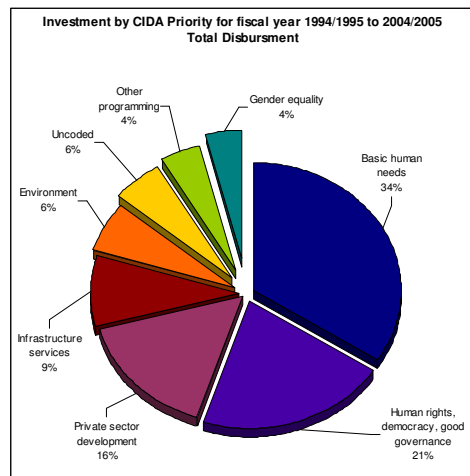
<sup>11</sup> In 2005, Bolivia was ranked as number 117 of the 159 countries in Transparency Internationals corruption index.

<sup>12</sup> CIDA website: Annexes to the Country Development Programming Framework for Bolivia (2003-2007), <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/EMA-218114654-MU7#1>.

### 3.1 CIDA Programming in Bolivia: Program Profile

Reports on Official Development Assistance<sup>13</sup> published by the Government of Canada indicate that CIDA's disbursements to Bolivia during the period covered by the evaluation amounted to about CDN \$ 213 M, including contributions made to multilateral organizations<sup>14</sup>. As the following pie chart shows, 70% of this amount was disbursed through the Americas Branch (CDN \$ 128.21 M). The second delivery channel, in terms of dollar amounts, was through Multilateral Organizations (CDN \$ 57.55 M), followed by the Partnership Branch (CDN \$ 27.23 M)<sup>15</sup>.

During the period under review, CIDA's disbursements to Bolivia covered the following areas: Basic Human Needs; Human Rights, Democracy, Good governance; Private Sector Development; Infrastructure Services, Environment and Gender Equality.



Source: CIDA, CRAFT system, September 2006

<sup>13</sup> The evaluation team used official statistics published by the Government of Canada (Table M). As numbers for fiscal year 2005/06 were not available yet, the total reported here is based on ODA reports for fiscal years 1995/96 to 2004/05.

<sup>14</sup> Multilateral disbursements are made up of disbursement to international organizations (including organizations of the United Nations). In an effort to estimate the portion of assistance going to developing countries, the OECD has developed a series of coefficients based on flow of resources (on a calendar year basis) disbursed by the organizations in the developing countries. The set of coefficient is used, in part to estimate disbursement shown in the Multilateral column in Table M, which shows flow of assistance by country. As multilateral contributions reported in Table M include other federal departments, the evaluation team used a percentage derived from Table D (proportion of CIDA disbursements over the total by all disbursements to multilateral organizations) to estimate CIDA's portion of multilateral assistance to Bolivia reported in table M.

<sup>15</sup> The official statistics reported by the Government of Canada are considerably different than those reported in the CRAFT system.

## **4.0 Findings**

### **4.1 Relevance**

Overall, the CIDA program was relevant to the Bolivian context. CIDA has been responsive to the needs and priorities of the Bolivian government and has been consistent with Government of Canada and CIDA policies and priorities. The evaluation concluded that CIDA was responsive to the reform agenda of the Bolivian government during the 1990s, supporting government initiatives to liberalize the economy, improve public institutions and decentralize decision-making.

The 1995 –2005 programme commenced at a time of positive macroeconomic results and a progressive social agenda of the Bolivian State, e.g. decentralization and popular participation in decision-making, this situation changed somewhat in the period after 2000, when economic conditions deteriorated and political instability set in.

In spite of economic growth and the economic gains in the hydrocarbon sector, the political instability in the country was related to the fact that the majority of Bolivians felt they had yet to see tangible benefits. Overall, although poverty levels improved initially during the period under study, economic shocks in the early part of the millennium, caused the level of poverty to rise once again, and overall the poverty level did not decrease between 1995 and 2005. Evidently, multiple factors account for this failure, e.g., extensive structural weaknesses, downturn in the economy, and rapid changeovers in administrations.

### **4.2 Results and Sustainability**

The evaluation examined results achieved at the sector level. The major sectors of intervention during 1995-2005 were: hydrocarbons, health, gender, water and sanitation, public sector reforms/modernization of the state, mining and private sector development.

The evaluation concluded that:

#### **Hydrocarbon**

Investments in the hydrocarbon sector have been by far the most successful of CIDA's efforts in Bolivia, and constitute the Agency's flagship achievement in the period covered by the evaluation. Results achieved included, strengthening key institutions, assisting in the development of regulations in support of the Hydrocarbon Act of 1995, implementing the Petroleum Information Centre, and supporting a major strengthening of the hydrocarbon tax unit in the Ministry of Finance. Moreover, Canadian support was instrumental in supporting the regulatory regime that oversaw an increase in Bolivia's gas reserves and state revenues over this period.



## **Mining**

A review of documentation and interviews established that the most notable results in the mining sector were in improving university curriculum and research in the area of environmental management in mining, and in the ability of the government to map and promote its natural resources. Development of a virtual documentation centre greatly increased the capacity of the Bolivian government to organize and share technical information in a more transparent manner to attract investments in the sector. This was a responsive initiative that was developed and implemented by the Ministère des Mines de Québec which strongly advocated additional funding by the Ministry of Mines of Bolivia to continue the project.

However, during the period of instability (2002 –2005), the Bolivian Ministry of Mines lacked the focus and resources to continue project activities once project funding ended. The evaluation concluded that the project was only partially successful.

## **Health**

The main results achieved in the health sector have been through multilateral organizations, and have resulted in reduced maternal and child mortality, as well as the incidence of infectious diseases during the period under review. However, CIDA's efforts to develop a model for a decentralized health system at the district and municipal level which could be implemented throughout the country was not sustainable. While the pilot project implemented in two Bolivian municipalities, San Lorenzo in the Department of Tarija, and Guayaramerin in the Department of Beni achieved immediate results, the municipalities abandoned the model after the project ended.

## **Water and Sanitation**

CIDA's main initiative during the period consisted in supporting the Vice Ministry of Basic Services' role as sector leader. It was successful in introducing information technologies in the Ministry and in developing a management information system (MIS) for the VMWS, with data generated from pilot sites. A website with useful information on water and sanitation remained unfinished when project ended. It was already clear before its end that sustainability would be an issue, as the VMBS, which was badly under-resourced, could not maintain and update the MIS. The website was still functional at the time of the evaluation, although the pilot communities were no longer feeding information into the MIS. The new government decided to develop a different MIS, encompassing the whole water sector but credits the project for getting the ball rolling. The CIDA initiative was also instrumental in bringing several donors together interested in supporting future initiatives jointly in that area.

## **Gender Equality**

While results with regards to gender as a crosscutting theme were modest overall, all projects contained gender analysis in one form or another, and addressed gender issues to

varying degrees, often as a separate component. However, there was evidence that projects created greater awareness in their partner organizations on gender equality issues.

In addition to considering gender a crosscutting issue, CIDA has supported gender-focused initiatives. A review of documentation supplemented by interviews regarding a Gender Equality Fund established that 11 of 12 participating municipalities, and all 10 municipal districts, incorporated a gender perspective into their planning processes and in the development of new policies, as well several women assumed decision-making positions in municipal governments. Each of the supported organizations was strengthened in its ability to mobilize and provide training with respect to incorporating gender issues in municipal government. And, while organizational focus may change, in many instances this particular focus has become institutionalized, making it difficult to halt women's participation in the development of policies and in the planning process at the municipal level.

Results achieved with respect to gender equality also include influencing the government's and other donors' agenda. For instance, it led to establishing a gender equality basket fund in 2005 with Sweden, Denmark and the Netherlands, which CIDA initiated.

### **Public Sector Reforms**

The evaluation focused on three initiatives in the public sector reforms: the Local Fund for Public Sector Reform (FLARSP), CESO Public Sector Reform Project (PSRP) and the basket fund to the *Defensor del Pueblo*. While results differed across the numerous partner institutions, overall, interventions in the public sector resulted in: new or revised policies; regulatory frameworks; practices, and procedures; new or revised internal management systems and procedures; new knowledge and skills incorporated into work practices; and, changes in work methods and organization.

The *Defensor del Pueblo* was a successful project, which achieved results, certainly more visible than those achieved through the FLARSP and the CESO PSRP. The main challenge faced by the latter two projects was to demonstrate outcome level results and impact as numerous small initiatives were spread over many partners. The great number of small projects also affects sustainability, particularly in a challenging environment such as Bolivia's. As to be expected, project results were strongest for some of the longer-term projects with government institutions.

Local Funds have proven to be a useful tool in Bolivia, often offering a quick and flexible response to pressing issues. During the political instability of the last decade, when larger projects and programs were stalled, CIDA responsive projects were sometimes the only mechanism that allowed CIDA to respond to local needs, sometimes very strategically. They also provide CIDA with an opportunity to test potential longer-term partners (e.g. *Defensor del Pueblo*, *INE*, *Corte Electoral*, etc.).

## **Private Sector Development**

In the development of the private sector, the country program was not as successful during the period under review as it had been in the early 1990s with its support to the micro-credit sector. The main project that the Bolivia Country Program supported between 1995-2005, in cooperative development, PADECO was successful with one of its objectives: strengthening the management and addressing structural issues of five cooperative associations. The project also achieved greater gender balance in the target organizations in decision-making. Despite the improvements to structures, management practices and increased access to training and credit for members, it failed in its second objective, which was to increase the revenues of rural families. The project was also not successful in changing the regulatory environment for cooperatives. Private Sector development ended up a program casualty in the development of the Country Development Programming Framework (CDPF).

## **Overall Assessment of Project Success**

The evaluation reviewed fifteen major CIDA initiatives undertaken between 1995 and 2005. The evaluation noted the key results of the review:

- All fifteen projects were considered to be relevant or highly relevant to the needs of the sector;
- Twelve of the fifteen projects (75%) substantially achieved their intended outputs, while two of the fifteen partially achieved their intended outputs. One Partnership Branch project, the PROMUJER project, could not be assessed as it was not completed;
- In terms of outcomes, only six of the completed projects (40%) were considered to have fully contributed to their planned outcomes, another five only partially achieved planned outcomes, and three others do not appear to have achieved anticipated outcomes;
- In terms of impact on the sector, the evaluators considered that only four of the projects (three of which were hydrocarbon projects) had a significant sector impact, three had a moderate impact and eight had a minimal impact;
- The evaluators considered that nine of the fifteen (60%) projects exhibited high levels of local ownership and five had moderate to low levels of local ownership;
- In terms of sustainability only six projects (40%) were considered to be highly sustainable given the conditions at the time, three considered moderately sustainable and seven were not sustainable;

The evaluation team reviewed studies undertaken by other donors in Bolivia to assess whether the CIDA results appear to be comparable to other donors. Two studies refer to success rates of donor projects: In a 2003 study of the effectiveness of foreign aid in Bolivia, the authors, Andersen and Evia note<sup>16</sup>, quoting a 2001 World Bank study, state that around 1/3 of projects achieved their objectives and the local institutions took

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<sup>16</sup> The Effectiveness of Foreign Aid in Bolivia, Andersen and Evia, Instituto de Investigaciones Socio Economicas, 2003

ownership of them, in such a way that the project can continue once the external cooperation is withdrawn; another 1/3 achieved their objectives but did not achieve local ownership, so project results are not maintained once donors leave. The last 1/3 did not reach the immediate target of the projects.

In 2005, the World Bank<sup>17</sup> reported in an evaluation that in the 1999-2003 period, only five of 15 proposed projects were actually approved. A number of projects were either dropped or delayed, reflecting a lack of government commitment and /or implementation constraints

Based on the above assessment, the CIDA project performance was satisfactory, with respect to achieving project short term results, but comparable to other agencies in terms of meeting long term goals and sustainability. The World Bank notes the high level of risk in Bolivia – macro-economic shocks, political opposition, and social unrest – as key factors that had to be taken into account in project planning and implementation. In the opinion of the evaluation team, the same applied to CIDA, in that the program has improved its ability to adjust to these risks during the last few years.

### **4.3 Program Coherence**

Program coherence can be reviewed with respect to coherence with the Bolivian development strategy, coherence with programming of other donors, and coherence within the CIDA program branches.

As stated earlier, there has been increasing pressure for donors to harmonize their approaches in providing development assistance. While this will be discussed later in this report, it is worth mentioning that the Bolivian government displayed strong leadership in the late 1990s to secure commitments from donors to coordinate and harmonise their programs and administrative practices. In 1999, donors and the Bolivia government signed an agreement to that effect. Together with the GoB decision to develop a Poverty Reduction Strategy Paper, this provided a strong rationale for donors to shift their approach.

Since 1999, the Bolivia Country Program has sought to narrow the number of projects, intervention sectors and focus of its approach but it is too early to determine whether this approach will have a significant impact on results.

There has been some movement towards harmonizing CIDA programming in Bolivia across branches. Over the years, CIDA talked about creating synergies between projects/ programs to better coordinate efforts, particularly between the bilateral branches and CPB.

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<sup>17</sup> Country Assistance Evaluation – Bolivia, World Bank 2005

The BCP and CPB collaborated, through the *peer resource group*, in the development of the CIDA CDPF. As mentioned earlier, the Partnership Branch produced an analysis of its portfolio between 1995 and 2005, highlighting areas of complementarity between Bilateral and Partnership Bolivia Country Program programming, as well as alignment between Partnership programming and the Bolivia CDPF.

The 2005 draft document, *Country Footprint*, sought to stimulate further thinking, discussion and more in depth analysis on issues such as appropriateness of sector, thematic and geographic focus.<sup>18</sup> Both the Partnership Branch Country Footprint and the CDPF mention further collaboration between the Branches in the future.

## **4.4 CIDA Management**

### **4.4.1 Decision Making and Staffing**

Although CIDA programming has been flexible and sensitive to the needs and context of Bolivia, overly centralized decision-making, combined with staff turnover has undermined operational effectiveness and efficiency as well as responsiveness.

As with other programs at CIDA, BCP initiatives have been managed from CIDA headquarters, with local oversight and support from the Post and from local advisors (generally through the Program Support Unit). Except for local funds managed by Bolivia-based Canadian personnel and local staff, in the past major projects have been implemented by Canadian Executing Agencies on CIDA's behalf. CIDA has arranged for project monitors and has had a Canada based PTL overseeing the project. Recently, there has been a trend towards more locally managed funds, and locally executed projects, with reduced CEA involvement (e.g. Health sector). This has required increased CIDA field presence supplemented by locally engaged staff to support the management process.

The evaluation found that the centralized decision-making approach in the Bolivia Program was consistent with the Agency norm over the period. Unfortunately this norm resulted in diminished responsiveness and oversight for the bilateral program. This was exacerbated by high turnover of Canadian staff, both at HQs and in Bolivia. As well, our interviews with other donors as well as CIDA staff at the Post indicate that CIDA standard decision processes compulsory for all bilateral programs are relatively slow and inflexible compared to other donors such as DFID. Therefore, in a country such as Bolivia, which is fluid and volatile, the slow decision-making process within the Agency and lack of delegation authority to the program and the Post limit CIDA's ability to be responsive and flexible to the changing local situation. This does not mean that CIDA funds have not been well utilized, but rather, that flexibility and responsiveness are important in Bolivia. It should be remembered that the CIDA program represents a small

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<sup>18</sup> Draft *Country Footprint: Bolivia*, August 2005, p. i.

percentage of the AID flows from international donors<sup>19</sup>.

Until 2000, there was only one CIDA representative in La Paz, the Head of Aid, who also was charged with consular affairs. Canadian staff increased to two in 2002, and another staff member was added in 2006. Canada based staff were supported by local administrative staff and advisors, who played an important role throughout, and were much appreciated by the different Heads of Aid. This was generally accomplished through the establishment of a Program Support Unit (PSU) in the early 1990s.

The PSU was set up to support CIDA logistics arrangements, and to provide local consulting expertise for the HoA. From the interviews it is apparent that the PSU was gradually given a lot of responsibility for local oversight of the program and management of the local funds. After 2000 it became apparent that the PSU was taking on responsibilities that should normally be reserved for the CIDA Post, As a result responsibilities between the Post and the PSU were clarified by the then HoA. For instance, the local advisors often went to meetings with Bolivian government officials on behalf of CIDA and played a key role in monitoring projects.

As mentioned earlier, the PSU was a major factor in the BCP success. During the review period, CIDA relied heavily on it to follow up on project activities, and given its small staff, local staff often represented CIDA at various meetings with donors or government representatives. Besides playing a key role in monitoring projects, particularly of the Funds, local staff provided advice and support to directed projects, as highlighted in interviews with CIDA staff, local partners and in project evaluations.

While crucial for the success of the BCP in providing continuity and valuable insights, this situation undercut effective and efficient decision-making, as local advisors lacked the authority to make decisions. Information had to be conveyed from the field to the PTL to do so, which became even more untenable as CIDA switched from a project to a program approach, and there were no longer CEAs to manage projects on CIDA's behalf.

As a result of insufficient staffing at the Post in La Paz (between 1995 and 2006), the PSU played a major role in the local oversight and management of projects and programs, this in spite of the fact that decision-authority was located primarily in Headquarters. This situation also resulted in ambiguities in roles and responsibilities and lead to administrative inefficiencies. This has been recently addressed in part by increased staffing at the Post and through clarification of roles and responsibilities. The need for further clarifying roles and responsibilities between headquarters and the Post for all aspects of program management remains.

As well, it is necessary to review the delegation of authority from HQ to La Paz. This is even more critical given the evolution towards a program-based approach where CIDA needs to coordinate more closely with other donors and local partners and make more rapid decisions.

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<sup>19</sup> VIPFE Annual Report

Given the need to be responsive, a stronger management as well as technical presence on the ground with more decision authority is required. The Americas Branch has moved in this direction, however continued strengthening of management and oversight capacity in the programming sectors, especially where there is no CEA management required. To deal with the volatility, increasingly decentralized donor presence, and the possibility of increased use of basket funds, and possibly Swaps in the future, increased decision authority to the file level is required to ensure efficient and effective management.

Experience with PBAs in other regions indicates that it require changes such as decentralization and increased field level control over resources, a long term commitment to the countries in question, new thinking on accountability for CIDA resources, and strengthened human resource capacities to address the particular planning and implementation requirements of PBAs (that differ from traditional CIDA projects).<sup>20</sup>

#### **4.4.2 Performance Management**

CIDA began introducing results-based management (RBM) in 1996 and the BCP started to train its staff and advisors in 1998, and then provided training to CIDA representatives in Bolivia and local advisors in the PSU. As a result, there has been a gradual improvement in the understanding of underlying RBM concepts, including for project partners in Bolivia, particularly those receiving support through CIDA's various Funds and who had to rely on the local staff to conform to CIDA's requirements. Interviews and documentation demonstrate a reasonably good understanding of CIDA's RBM approach, and local partners highlighted that they received good support and feedback from the PSU staff.

The evaluation also found that projects were properly documented. All had the required documents (e.g. Project Approval Document (PAD), annual Program Performance Reports (PPRs); monitoring reports, evaluation reports (projects that were evaluated), End of Project Report, etc.). The Local Funds were also well documented.

Streamlined reporting at CIDA helped focus attention on results rather than activities, although the evaluation found room for improvement. The document review revealed that CEAs and partners had problems reporting on outcomes and rarely used the indicators identified to measure results. Risks and challenges were rarely reviewed after the planning phase, though all projects have documented many lessons learned. However, it remains unclear how CIDA is using the lessons learned for program management and decision-making.

In general, the projects reviewed were reasonably well managed by the CEA and CIDA staff, sometimes under difficult circumstances.

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<sup>20</sup> Goss Gilroy Inc., Program-Based Approaches - Reflection Paper, 2006, p. 11.

### **4.4.3 Monitoring and Evaluation**

The BCP monitored projects adequately, but more systematic evaluation would have enhanced decision-making.

Monitoring of CIDA bilateral projects has been regular and appears overall to be adequate. Most of the directed projects had a Canadian and a local consultant to monitor progress, with the exceptions of the hydrocarbon and mining projects, which were monitored by a CIDA technical expert, acting also as project manager. Local Funds have been monitored by the PSU staff.

Typically, CEA reports for several of the projects reviewed tend to minimize challenges encountered during implementation and make un-substantiated claims regarding outcomes obtained and optimistic predictions regarding the project's impact. Discrepancies between claimed and actual outcomes and results were found in the REFORMIN, CESO, BCHR and PROSIAS projects.

## **4.5 Strengthening Aid Effectiveness**

The evaluation reviewed CIDA's performance with respect to the principles of Aid effectiveness enunciated in CIDA's policies and the Paris Declaration of 2005. The evaluation concluded that CIDA has generally adhered to these principles. CIDA has increasingly promoted local ownership and partnership in its initiatives.

Donor coordination, however, remains informal and there have been limited opportunities in the past to engage in program-based approaches with other donors. During the period under review CIDA was engaged in only one basket fund with the *Defensor del Pueblo*.

### **4.5.1 Local Ownership**

Interviews and documentation indicate that CIDA programming during the 1995-2005 period was a mixture of projects implemented in response to GoB requests, responses to unsolicited proposals of Canadian NGOs, and CIDA led projects.

In general, the evaluation team found that the CIDA projects have been progressively more successful at encouraging and ensuring local ownership. In fact one of the critical lessons learned in Bolivia is the importance of local ownership to ensure sustainability of initiatives. This has emerged as a lesson learned in many of the major projects. Local ownership, however has been hard to pin down, as changes in government and changes in government policy have meant that senior governmental or institutional management support for an initiative in one period may be reversed in a subsequent change in regime or in policy direction.



## 4.5.2 Donor Coordination in Bolivia

After successive Bolivian governments in the 1990s tried to coordinate international assistance, in 1999 CIDA and other donors signed *The New Framework for Government-Donor Cooperation (Nuevo Marco de Relacionamiento Gobierno-Cooperacion)* to govern international cooperation in Bolivia.<sup>21</sup> Initiated by the Bolivian government, the Framework sought donor commitments to further increase coordination and to align external and national resources to fight poverty. The table below outlines its guiding principles.

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### New Framework for Government - Donor Cooperation

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#### Agreed Principles Governing Aid

- Compatibility with the development plans, strategies and priorities of the GoB
  - Ownership by the GoB of the objectives & pace of development programming
  - Improved priority-setting, and efficient assignment of government and donor resources to poverty reduction
  - Transparency and full disclosure, accountability for the achievement of results, and more joint M&E
  - Sustainable, long-term engagement to the development process
  - Institutional capacity building as a cornerstone of program approaches
  - Complementarity of efforts between donors, government and civil society
  - Decentralized aid agency decision-making to local field offices
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Despite these efforts, donors as well as the Bolivian government indicated that donor coordination remained relatively informal. Donors noted that advances in coordination and harmonization were hampered by political and social turmoil, constant changes in government and the civil service, and weaknesses in budgeting and planning. Some donors still undertake projects outside the Framework, notably USAID in the health sector; while others continue to make excessive audit, mission, and information demands that burden the system, increase transaction costs and slow down administration and planning.<sup>22</sup> Most however, are making significant efforts to align their programming with the government development agenda.

The evaluation found that CIDA was actively involved and took some leadership during the 1995-2005 period in the coordination of donor initiatives and programming, e.g., the PRSP process.

## 4.5.3 Basket Funds

The evaluation reviewed the basket fund supported by CIDA and other donors in the *Defensor del Pueblo*. By all accounts this has been a positive experience that led to substantial results at the institutional level. Coordination among donors and the partner institution (*Defensor del Pueblo*) was rated highly, providing required information of progress and resulting in the donors pledging to renew and expand this basket fund to

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<sup>21</sup> CDPF 2003

<sup>22</sup> Banco Mundial Reduciendo los costos de transacción e incrementando la eficiencia de la asistencia.

other institutions. There is also considerable interest in a harmonized approach to funding from the targeted institutions, e.g. *INE, Corte Electoral, Defensor del Pueblo*.

#### **4.5.4 Future Donor/Government Collaboration**

Donors in Bolivia are searching for ways to collaborate and support the GoB according to the donor cooperation framework principles. Despite interest in supporting SWAPs in some areas (e.g. education), donors seem to realize that instability in the civil service and lack of government management capacity prevents the launch of such initiatives. To date, they have opted to offer basket funding to better performing government institutions, some autonomy from the government and a willingness to meet such donors requirements as comprehensive strategic plans and satisfactory financial management.

### **4.6 Cost Effectiveness**

#### **4.6.1 Management Cost Effectiveness**

Although the CIDA cost of managing the program was quite low, as the staff in Bolivia was quite limited over the period under study, we concluded that the limited number of CIDA staff in the field and the overly centralized decision making process reduced the responsiveness of the program. In addition, the staff turnover in the Bolivia program at headquarters caused further delays in the implementation of CIDA programs in health, water and sanitation and governance, among other things.

In the view of the evaluation team, the lack of sufficient CIDA staff in the field did not permit adequate monitoring of the changing environment in the country. It also reduced CIDA's ability to fully assess local capacities and risks. This was mitigated by the staffing in the PSU, which did provide an overview of local trends, however, the PSU staff were not meant to be a substitute for CIDA staff in terms of their ability to assess trends and make short-term decisions on programming direction.

#### **4.6.2 Field Operations – Program Support Unit**

CIDA improved the efficiency and cost-effectiveness of its operations in Bolivia by reorganizing the PSU between 2000 and 2002. The Head of Aid was tasked with opening and staffing full Consulate Services (18 staff, including the PSU). At the time, the PSU did not have an automated financial system to adequately manage CIDA locally managed projects (e.g. Canada Fund, Local Fund for Public Sector Reform, Gender Fund); all tasks were done without computers. A complete overhaul of the PSU (competition guidelines, project criteria, filing system in a closed office, etc.) included a computer system being installed and a competitive process for staffing instituted.

As the PSU had been terminated prior to the initiation of the evaluation, we could not assess the cost effectiveness of the unit. According to interviews with CIDA staff

members at Headquarters, the PSU was highly regarded as an efficient mechanism for managing local funds, and providing logistics support.

### 4.6.3 Program Mechanism Cost Effectiveness

Our overall assessment is that the use of local and responsive funds was an efficient mechanism for programming in the rapidly evolving and volatile environment in Bolivia. However, some of these funds resulted in fragmentation of results, which undermined overall effectiveness and sustainability.

The experience with basket funds (program based approach) so far has been limited, but appears to indicate better success in terms of results and sustainability. The combined funding and management with other donors provides more leverage for CIDA resources, and better oversight. However, it is too early to draw definitive conclusions.

We also determined that using multiple project resources increased cost effectiveness, e.g. CESO and FLARSP supported other projects such as the Hydrocarbon, PROSIAS and the BCHR projects. Some short-term advisory services proved very strategic and cost-effective, e.g., Ontario Ombudsman technical assistance (TA) to the *Defensor del Pueblo*, Tax advisors TA to the Hydrocarbon project, TA provided to INE and other Government Institutions.

The Counterpart Fund was also used to enhance buy-in from local stakeholders for the BCHR and to increase the credibility of the project. The Gender Equality Fund (FIG) was also strategic in funding a group of organizations, located principally in Cochabamba to influence municipal government on gender equality issues at that level.

Local consultants could have been used instead of Canadians in some directed projects, an issue that was highlighted by several project monitors.

Overall, we concluded that the program has had mixed success in terms of cost effectiveness. While approaches such as the use of local funds have been efficient, they have lead to fragmented results. Several CEA projects (with the exception of the hydrocarbon sector) have been expensive to manage, and did not lead to the desired results. The approach of using basket funds appears to be a promising direction, although experience so far is limited.

In terms of the cost effectiveness of CIDA management, the cost of the La Paz operation has been quite low, however, CIDA's oversight and management appears to have suffered in the past, as there were insufficient CIDA resources on the ground, and what resources were available had limited delegation of authority.

## **5.0 Lessons Learned and Recommendations**

Lesson Learned: It is important to ensure that CIDA field offices have adequate staffing and that the Agency review the level of authority given to the field for project approval and expenditure to ensure effective management oversight and timely decision making. This implies the need for adequate CIDA staff to monitor ongoing events and trends as well as locally managed projects.

The evaluation found that there was insufficient staff, and insufficient delegation of authority to the field during much of the timeframe of the evaluation. This combined, with high staff turnover of Canadian staff, affected the ability of the Program to respond to the rapidly changing environment. As CIDA lessens its reliance on CEA managed projects, and increases its use of locally managed projects (e.g. Funds and PBAs). This becomes even more problematic as PBAs require increased interaction with donors and increased ability to make decisions.

**RECOMMENDATION 1: CIDA should ensure adequate staffing at the field level and an appropriate delegation of authority to the Head of Aid to make timely decisions.**

Lesson Learned: Project success is more likely when appropriate risk assessment and mitigation strategies are developed and reviewed on a regular basis.

It is important to analyse risk and develop risk mitigation strategies, particularly in countries such as Bolivia, which are unstable. Risk can include abrupt changes in policy, abrupt changes in government, adequacy of counterpart funds available from the local partners, as well as adequacy in staffing. It also comprises the risk that the government will not continue to support the initiative once the project ends. When risk and mitigation strategies have been identified they should be reviewed regularly, if possible with partners.

**RECOMMENDATION 2: In countries such as Bolivia, which are inherently high risk and volatile, greater effort should be placed on risk analysis and contingency planning and on periodic review of the project design to ensure that the project continues to be supported by the government and continues to be sustainable.**

Lesson Learned: It is important to systematically evaluate initiatives to ensure adequate corporate learning and feedback for informed decision-making.

In the case of Bolivia, the evaluation found that projects had not been evaluated systematically. This combined with high staff turnover within CIDA made it difficult to incorporate lessons learned from project successes and failures into planning.

**RECOMMENDATION 3: CIDA should ensure that all major initiatives are evaluated at the mid-term and end of project/program cycle.**

Lesson Learned: Small donors have to be highly strategic with investments, and where possible align their program efforts and partner with other donors to ensure that sustainable outcomes are achieved, unless they have sufficient funds and a comparative advantage to have a sustainable impact on a sector. In a volatile, high-risk country such as Bolivia, basket fund support of smaller entities (e.g. Defensor del Pueblo) seems to be the most cost effective means of achieving sustainable results with reduced risk.

The evaluation indicated mixed results. In a sector such as hydrocarbon, CIDA's investment was strategic, long-term and CIDA possessed a comparative advantage. In addition, the sector was amenable to this level of effort. In other sectors, such as water and sanitation or health, which are more complex and where greater levels of investments are required to effect change, pooling resources with other donors appears to be a more effective approach. An example of effective pooling of funds is the *Defensor del Pueblo* project.

**RECOMMENDATION 4: In sectors where CIDA does not have a comparative advantage and when appropriate and strategic, CIDA should collaborate with other donors to ensure maximum benefits from its investments and reduce risk. Increased use of donor coordinated approaches – such as basket funds for individual institutions with a demonstrated track record should be pursued.**

Lesson Learned: To ensure long-term sustainable outcomes, it is important to undertake a strategic assessment of sectors and local partners.

The evaluation indicated that many of the problems encountered in the projects resulted from insufficient understanding of the political and social dynamics of the sectors of interest, particularly by the CEAs that undertook some of the major projects. As well, the evaluation found that not having an a priori understanding of partner institutions capacity and commitment was a frequent weakness of projects. CIDA and CEAs were found to be overoptimistic in their assessments of partner financial and human resources capacities and long-term commitment.

**RECOMMENDATION 5: Before programming in a sector, CIDA should ensure that an adequate analysis of the sector, and of the capacity of potential partners is completed.**

Lesson Learned: The success and sustainability of development initiatives are linked to the degree of local ownership and commitment of the partner to ensuring stable personnel and resources both in the short and long-term.

Evidence obtained through a review of end of project reports and interviews indicated that project success and sustainability had been undermined by lack of local ownership, commitment and constant turnover of staff in partner organizations. Local ownership requires that local partners be involved in planning, setting priorities, partner budgets, assigning staff and committing adequate resources.

**RECOMMENDATION 6: CIDA should ensure that local partners are fully engaged at all stages of planning and implementation, and that they commit sufficient, stable human and financial resources for the initiative and its continuation once donor funding ceases.**

The Management Response to the findings and recommendations of this evaluation is outlined below.

## 6.0 Management Response

Recommendations	Commitments / Actions	Responsibility	Target Completion Date	Status
<p>1) CIDA should ensure adequate staffing at the field level and an appropriate delegation of authority to the Head of Aid to make timely decisions.</p>	<p>a) We agree with the need to ensure adequate staffing at the field level. To this effect, steps had already been taken to ensure a stronger field presence in Bolivia. These include: increasing our field staff from one person in 2001 to three people in 2006, restructuring the Bolivia Program Support Unit (PSU) in 2006 and clarifying the roles and responsibilities of CIDA based staff and consultants in 2006. In 2007 Foreign Affairs Canada also posted a Mission Consular Officer to La Paz thereby removing the security and consular activities from CIDA staff's workload. One result is that CIDA staff are now able to dedicate more time to planning, managing and monitoring CIDA's development programming. <b>ACTION:</b> The Bolivia Program will continue to monitor the situation and make appropriate changes as necessary.</p> <p>b) In terms of delegation of authority in the field, CIDA's La Paz Head of Aid has the same level of authority as other posts in the Americas. This level, moreover, is the maximum authority level as set by</p>	<p>a) Bolivia Program Manager and Director of South America Program (BMS)</p> <p>b) CIDA Senior Management.</p>	<p>a) Ongoing</p> <p>b) n/a</p>	<p>a) In progress</p> <p>b) n/a</p>

	<p>Treasury Board’s terms and conditions for CIDA.  <b>ACTION:</b> As we have discussed with the Evaluation Team, this is a CIDA-wide issue that is best resolved at a corporate level. The Bolivia Program will comply and align itself with Treasury Board and CIDA decisions on this issue.</p>			
<p>2) In countries such as Bolivia, which are inherently high risk and volatile, greater effort should be placed on risk analysis and contingency planning and on periodic review of the project design to ensure that the project continues to be supported by the government and continues to be sustainable.</p>	<p>We agree that risk analysis, contingency planning and periodic project reviews are crucial elements of success in Bolivia. To this effect, the Bolivia Program has consistently engaged in risk assessments and other due diligence activities at both project and program levels. Examples of this include the development of a conflict analysis document, risk assessment and mitigation strategies for past and current CDPFs and the recent introduction of sectoral snapshot documents that analyze “the state of play” in Bolivia including risk assessment. We agree, however, that there is always room to strengthen these efforts. <b>ACTION:</b> In the development of the 2008-2015 CDPF, the Bolivia Program will incorporate more regular integrated risk analysis and mitigation into the Performance Management Framework. It will also continue to actively participate in a newly formed donor-working group in which donor analysis including analysis pertaining to risk is shared amongst donors. Program officers will also participate in annual steering committee meetings with VIPFE - our Government of Bolivia counterpart - to review the design, sustainability and interest of the Bolivian Government of CIDA’s projects and programs. For</p>	<p>Bolivia Program</p>	<p>December 2007 (for CDPF) and Ongoing</p>	<p>In progress</p>



	our basket funds, CIDA will also participate in regular steering committee meetings with other donors to assess progress and recommend action to our partner institutions. Moreover, risk and mitigation strategies will be updated at a project level on an annual basis in our project performance reports.			
3) CIDA should ensure that all major initiatives are evaluated at the mid-term and end of project/program cycle.	We agree that an evaluation of our programs and projects could be more systematic. <b>ACTION:</b> The Bolivia Program will develop an evaluation schedule for its program activities to be maintained by the Program Analyst and monitored by the Program Manager.	Bolivia Program	December 2007	In progress
4) In sectors where CIDA does not have a comparative advantage and when appropriate and strategic, CIDA should collaborate with other donors to ensure maximum benefits from its investments and reduce risk. Increased use of donor coordinated approaches – such as basket funds for individual institutions with a demonstrated track record should be pursued.	We agree and began working in this direction as early as 2003 in both governance and in equality between women and men. For example, in governance, our program has built on the success in participating in a basket fund in support of the National Ombudsman’s Office ( <i>Defensor del Pueblo</i> ) in the development of, and participation in, four new basket funds in governance. In order to assure local partner leadership and project / program sustainability, the Bolivia Program has also placed an increased emphasis on supporting our local partner’s plans, strategies and objectives in all of our activities. In areas where Canada has a clear comparative advantage and expertise and where other donors are less present, CIDA has also successfully influenced development in Bolivia through stand-alone projects. An example of this can be seen in the hydrocarbons sector where CIDA has	Bolivia Program	Ongoing	In progress.

	<p>15 years of successful experience in responding to the priorities of the Bolivian Government.  <b>ACTION:</b> The Bolivia Program will continue to collaborate with other donors as well analyze sectors and partner institutions of interest prior to engaging with them. In addition, our programming strategy will continue to move towards a more diversified program modality portfolio so as to ensure that the most appropriate mechanisms for the effective delivery of our programs are used.</p>			
<p>5) Before programming in a sector, CIDA should ensure that a realistic analysis of the capacity of potential partners is completed.</p>	<p>We agree and confirm that the Bolivia Program has consistently applied the full spectrum of CIDA norms regarding due diligence requirements for all of its projects and programs, including analyses of partners' capacity. For example, prior to engaging in our current health and governance programs extensive institutional and sectoral analysis was commissioned and undertaken. At a program level, the Bolivia Program closely follows current events and trends and regularly engages in country and sectoral research and knowledge sharing with other stakeholders. <b>ACTION:</b> The Bolivia Program will continue to undertake both country and institutional analyses, perform due diligence activities and update sectoral analyses on a regular basis. The Bolivia Program will also continue to collaborate with other donors in assessments and analysis sharing through the Bolivia donor-working group (GRUS) – a new donor mechanism developed in 2006. Also, please refer to <b>ACTION</b> below, under 6) a).</p>	<p>Bolivia Program</p>	<p>Ongoing</p>	<p>In progress</p>



	<p><b>ACTION:</b> To mitigate this risk in the future, our program is moving to diversify our partnership portfolio beyond government institutions and focusing on enduring challenges in Bolivia as a way insulating our investments from rapid changes in political context and government priorities. The Bolivia Program will also continue to encourage post-project commitments by our partners throughout all phases of the project cycle as well as use our policy dialogue leverage to promote the post-project sustainability of our investments with key Bolivian decision-makers.</p>			
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## Appendix A: Documents Reviewed

CATEGORY AUTHOR, TITLE, DATE	
<b>Context</b>	<p>Mark Berman, Susan Brown: Conflict, Peace and Development- A Canadian Way Forward, Feb,14-15, 2002.</p> <p>Myra Burtin, Lucia Fort: Mainstreaming Gender in the Health Sector, April 2006, From World Bank's "En Breve" no,88</p> <p>PNUD, Progreso de los Objetivos de Desarrollo del Milenio, Cuatro Informe, Bolivia, 2006.</p> <p>Sonia Montano: Gender Indicators and Statistics in Latin American and the Caribbean, May 2005.</p> <p>Gover Barja, Miguel Urquiola: Capitalization and Privatization in Bolivia- An Approximation to an Evaluation, Feb 2003.</p> <p>Apoyo Opinion Y Mercado Bolivia: Informe de Opinion Bolivia, Enero 2004 Seccion Especial, 2004.</p> <p>Republic of Bolivia, Poverty Reduction Strategy Paper, March 2001.</p> <p>Nuria Homedes: Managing Externally Financed Projects- The Integreat Primary Health Care Project in Bolivia, 2001.</p> <p>Olufunlilola Odegbile, Health Sector Reform and Equity: Bolivia and Brazil Study Cases, WHO/PAHO Technical Report Series No,78, November 2001.</p> <p>Marina Cardenas Robles, Jorge A, Munoz, Mukesh Chawla, Resource Mobilization for the Health Sector in Bolivia, July 1996.</p> <p>Joint WHO/PAHO mission to Bolivia examines health challenges and opportunities, MacroHealth NewsletterNo, 11, November 2004.</p> <p>World Bank, Implementation Completion Report on an Adaptable Program Credit,Report No,28270-BO June 9, 2004.</p> <p>Lykke E, Andersen, Robert Faris, Natural Gas and Income Distribution in Bolivia, Feb. 4 2002.</p> <p>UNDP/World Bank ESMAP, DRAFT: Comparative Study on the Distribution of Oil Rents in Bolivia, Colombia, Ecuador and Peru, January 2005.</p> <p>World Bank, Project Appraisal Document, Report No: 20389-BO, May 30, 2000.</p> <p>UNDP/World Bank ESMAP, Global Energy Sector Reform in Developing Countries: A Scorecard, ESM219, July 1999.</p> <p>World Bank, Implementation Completion Report, Report No:31025, Dec,29 2004.</p> <p>World Bank, Bolivia Country Assistance Evaluation, Report No: 33493, November 20, 2000.</p> <p>World Bank, Report and Recommendation of the President, Report No: 26838-BO, January 8, 2004.</p> <p>World Bank, Bolivia Country Assistance Evaluation, Report No:33493, September 1, 2005.</p> <p>World Bank, Project Appraisal Document, Report NoL17933-BO, June 5, 1998.</p> <p>Commission of the European Communities, Bolivia: Country Strategy Paper, 17 May, 2002.</p> <p>PNUD, Cuarto Informe, Progreso de los Objetivos del Milenio, Bolivia 2006.</p> <p>Martha Lanza Meneses: Bolivia-Country Gender Profile, November 2006.</p>
<b>Project/Program Documents</b>	<p>Power Point Presentation, SGM, Oct, 2006.</p> <p>Ministerio del Agua Bolivia, Plan Nacional Sectorial Agua (presentacion), Ministry of Water DRAFT: Basic Sanitation Project , 11 de Enero de 2007.</p> <p>Ministerio del Agua, Documento estrategico del Sistema de Agua Bolivia (SIAB).</p> <p>Ministerio del Agua, Agua En El Plan Nacional De Desarrollo, Junio De 2006.</p>
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## Appendix B: Key Informants

Location	Affiliation	Name, Title, Associated Project/Program
<b>CANADA</b>		
		Hélène Giroux, Director, South America Division
	CIDA	Ken Neufeld, former Head of Aid, Bolivia (1995-1998)
		Michael Brownell, former Head of Aid, Bolivia (1998-2000)
		Marta Samper, former Head of Aid, Bolivia (2000-2002)
		Bill Young, former Head of Aid, Bolivia (2002-2005)
		Jim Sutherland, Program Manager, South America Division
		Lilly Nichols, formerly Senior Analyst South America Division
		Chantal Boucher, formerly Development Officer, South America Division
		Anne-Marie Hodgson, Development Officer, South America Division
		Paul Ragusa, Oil and Gas Specialist, South America Division
		Henri Monette, Chief of Operation, South America Division
	Foreign Affairs and International Trade Canada	David Mueller, Policy Analyst. Formerly Senior Analyst, CIDA, South America Division
	Groupe Conseil CAC International	Jocelyn Laforce, Présidente, Health Program(PASS) Monitor
	Petro Canada	Anne Parsonage, formerly Project Manager, CIDA, Oil and Gas project Phase 2
		Tony Galisheff, Project Manager Oil and Gas Project Phase 2
	Canadian Society for International Health	Maya Kagis, independent consultant. Canadian Director: Building Capacity for Health Reform
		Janet Hatcher Roberts, Executive Director
	Deloitte Touche	Lucia Frick, PROSIAS Project Manager
		Gabriel Arrancivia, Independent Consultant. Formerly PROSIAS Canadian Project Director
<b>BOLIVIA</b>		
La Paz	CIDA	Enrique Madueno, Head of Aid (2005 to present)
		Nicole Côté, First Secretary
		Réjean Forget, First Secretary
	CIDA Cooperation Office (CCO)	Gustavo Bracamonte, Canadian Cooperation Office Director
		Hernan Arce, CIDA local advisor on Governance

Location	Affiliation	Name, Title, Associated Project/Program
		Renaldo Condi, Project Manager
		Dr. Herland Tejerina, CIDA local advisor on Health
		Ms Yara Carafa, formerly local Health and Gender Advisor
	Swedish Embassy	Mr Torsten Wetterblad, Head of Aid
	Danish Embassy	Mrs Winnie Petersen, Head of Aid
	Dutch Embassy	Mrs To Tjoelker, Head of Aid
	German Embassy	Phillip Knill, Head of Aid
	Ministerio de Agua	Paula Vargas
	Agua Sostenible (NGO)	Paula Pacheco
		Myrta Murillo, PROSIAS local Director
		Adalid Arratia, PROSIAS Monitor
	Banco Interamericano de Desarrollo (BID)	Andrés Cossío, Especialista Sectorial (PROAGUAS - Water and Sanitation)
	Ministerio de Salud	Dr. German Crespo, Planning Director (Former Bolivian project director – Building Capacity for Health Reform)
	Vice-Ministry of Mines and Metallurgy	Jonny Cano, SERGEOTECMIN - (REFORMIN Project)
		Eliodoro Sandi, Senior Officer (REFORMIN Project)
		MSc. Ing. Mario Velasco Sanchez, Director de Medio Ambiente (REFORMIN Project)
		Ariel Sanabria (REFORMIN Project)
	VIPFE	Myraglia Giles – Canada Desk
		Victor Hugo Bacarreza, Former Director VIPPFE
		Marianela Zeballos, Former Director VIPPFE
	CESO	Erick Meier, Field Representative
	PROMUJER	Carmen Velasco, Executive Director (GEMS Project)
	YPFB	Sra. Leyla Mokrani, Exports Manager (Hydrocarbon Sector Support project)
	Servicio de Impuestos Nacionales	Cesar Oni Villamor, Manager Manager (Hydrocarbon Sector Support project)
		Sra. Ma. Eugenia Herbas, Senior Officer Manager (Hydrocarbon Sector Support project)
		Carlos Miranda, Former Superintendente de Hidrocarburos (Hydrocarbon Sector Support project)
	National Electoral Court	Dr. Salvador Romero, President
	Defensoria del Pueblo	Dr. Waldo Albarra (Defensor Del Pueblo) and Blanca Laguna
	National Statistics Institute	Sr. Jonny Suxo, Executive Director and two others



<b>Location</b>	<b>Affiliation</b>	<b>Name, Title, Associated Project/Program</b>
	UNICEF	DRA. Jeaneth Chavarria, Oficial de Salud y Nutricion, Fondo de las Naciones Unidas para la Infancia
Cochabamba	CIS - Cooperativa integral de servicios	Ing. Rodolfo Montano, Gerente General (PADECO Project)
	FEDAPE (fundacion ecumenical para el desarrollo)	Qenato Ocana Quiz, (Gender Fund Project)
	CERES- Centro de estudios de la realidad economica y social	Marizabel Castro Carrarco (Gender Fund Project)
	INCCA - Instituto de capacitacion Campesina	Teresa Temazas C. (Gender Fund Project)
	CEPRA – Centro de Educacion y Produccion Radrofonica	Dolores Arce (Gender Fund Project)
	IFFI – Instituto de Fozurucieir Feufliuun Iretegral	Cecilia Estradu P. – Directora (Gender Fund Project)
	PROMUJER	Leni Canapi, Pro-Mujer, Cochabamba Directora
Santa Cruz	Petro Canada	Tony Galisheff, Manager, Hydrocarbon Project, Phase II
	IBM	Nasser Akthar, Manager, Hydrocarbon Project, Phase III
Sucre	SOCODEVI	Sébastien Valdivieso, Representante en Bolivia (PADECO and new project with Agrocentral, through Partnership Branch)