

BOLIVIA

**Evaluation of the Netherlands
Development Programme with Bolivia**

Main findings and summary

ISBN 90-5328-204-1

Editing: Ms. N. Forest-Flier and Mr. A.F. Brown
Cover photograph: Mark Edwards / LINEAIR
Maps: Geografiek, Amsterdam
Pre-press services: Transcripta, Beerzerveld
Printed by: Ridderprint BV, Ridderkerk

Preface

This report presents the findings of an evaluation of the Dutch bilateral development cooperation with Bolivia carried out by the Policy and Operations Evaluation Unit (IOB). The IOB constitutes an independent unit within the Netherlands Ministry of Foreign Affairs and is responsible for evaluating the ministry's policies and operations.

The main objective of the study was to assess the policy relevance, effectiveness, efficiency and sustainability of the Dutch aid programme for Bolivia. In the period 1969–96 a total of Dfl. 840 million has been disbursed to programme and project aid made available through the bilateral programme, as well as channelled through the co-financing agencies, the Netherlands Development Organization SNV and multilateral organizations. In 1996, Bolivia was the largest recipient of Dutch aid in South America.

The evaluation covered programme aid, agricultural projects funded under the Andes Programme, projects funded through the co-financing agencies, personnel inputs and projects by the SNV and the Local Fund for Women in Bolivia. There was also a study done on the perceptions of aid beneficiaries. A description of non-aid relations between the Netherlands and Bolivia is included in this report. Both in Bolivia and the Netherlands, government authorities, representatives of non-governmental organizations and other experts have been involved in the various stages of the evaluation. Representatives of the Bolivian government and from civil society have formulated a reaction on the report which is included as annexe to this summary report.

Except part of the commodity aid, programme aid generally contributed to the improvement of Bolivia's macro-economic and social indicators, but the effects on the economic situation of the poor sections of the population have been limited. Project aid in general reached its direct objectives. It was less successful in poverty alleviation in economic terms, but realized important effects in terms of institutional strengthening and civil society capacity building. Dutch aid also contributed to policy formulation at national and local levels, among others in the field of Women and Development. Both programme aid and assistance to the non-governmental organizations facilitated Bolivia's democratization process and people's participation in development.

The report comprises three volumes. Volume I contains the Main Findings and the Summary. Volume II constitutes the Main Report, while Volume III deals with the Netherlands Programme Aid to Bolivia.

The study was coordinated by Georg Frerks, Willem Cornelissen and Karin Verbaken, while advisory groups both in the Netherlands and Bolivia advised on the methodology and commented on draft reports. Ted Kliet of the IOB also provided valuable advice and support. Many other persons and organizations have contributed to this study. IOB, however, bears sole responsibility for this report.

Director, Policy and Operations Evaluation Department

Contents

List of graphs and tables	vii
Abbreviations	ix
Glossary	xi
Map of Bolivia	xii

MAIN FINDINGS

1 Overall assessment	1
2 Main characteristics of Dutch development assistance to Bolivia	3
3 Relevance	6
4 Effectiveness	7
5 Efficiency	8
6 Sustainability	9
7 Local perceptions of development aid	10

SUMMARY

1 Design and scope of the study	11
2 Bolivia	12
3 Relations between the Netherlands and Bolivia	15
4 Foreign aid to Bolivia	16
5 Programme Aid	20
6 Project aid to the agricultural sector	26
7 Activities of the co-financing agencies	32
8 The Netherlands Development Organization SNV	40
9 Women and Development	46
10 Some local perceptions of development aid	51

Annexe 1 Comment by the Viceministry of Public Investment and External Finance, in coordination with civil society organizations	55
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List of graphs and tables

Graphs:

1	Dutch aid to Bolivia, 1969–96	5
2	Sectoral distribution of Dutch aid, 1969–96	19
3	Programme aid to Bolivia by category	20

Tables:

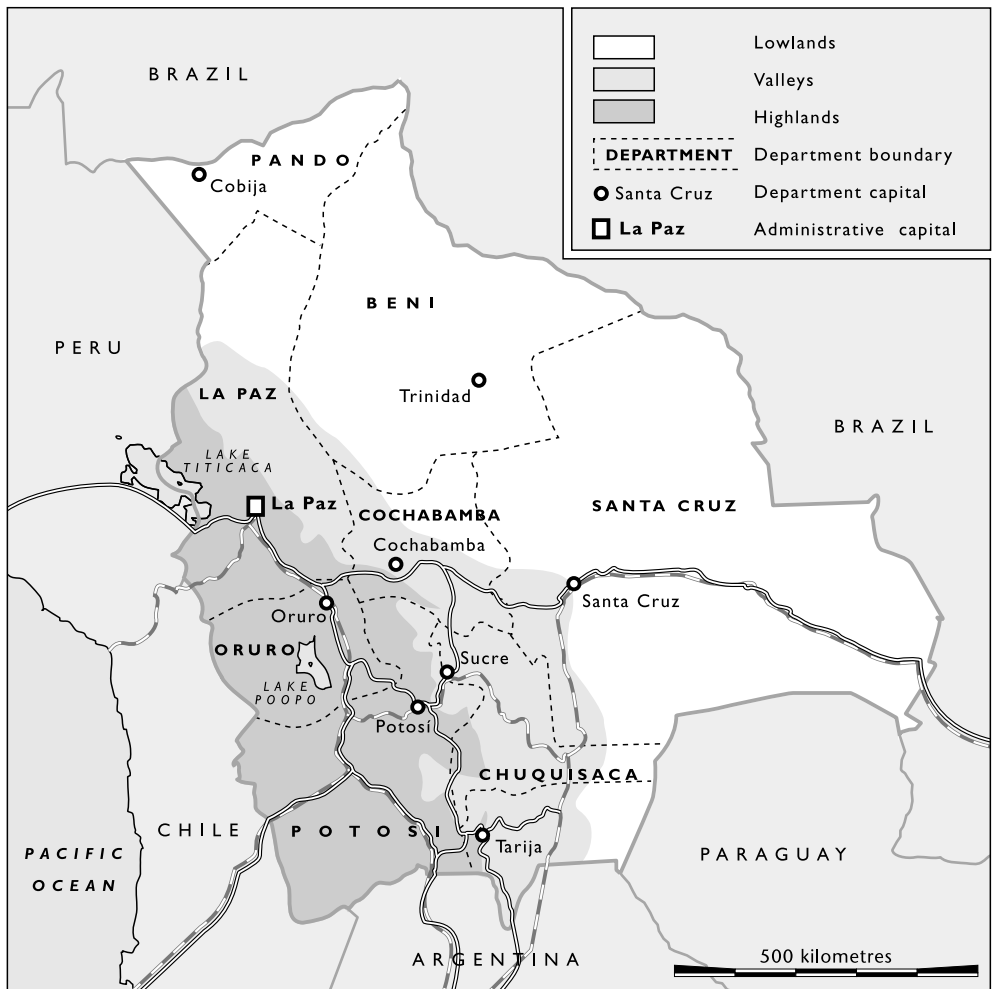
1	Dutch aid by category, 1969–96	4
2	Dutch aid by sector, 1969–96	5
3	ODA to Bolivia, 1970–95	16
4	Dutch ODA to Bolivia, 1969–96	18
5	Dutch aid by category, 1969–96	19
6	Overview of Dutch programme aid to Bolivia, 1982–96	21
7	Dutch aid to the agricultural sector, 1969–95	28
8	Agricultural projects in sample (number and disbursement)	29
9	Distribution of disbursements by period and CFA	34

Abbreviations

CFA	Co-financing Agency
Dfl.	Dutch Guilders
DGIS	Directoraat Generaal Internationale Samenwerking (Directorate General for International Cooperation)
FAO	Food and Agriculture Organization of the United Nations
FIS	Fondo de Inversión Social (Social Investment Fund)
FSE	Fondo Social de Emergencia (Social Emergency Fund)
GDP	Gross Domestic Product
GOM	Gemeenschappelijk Overleg Medefinanciering (Co-financing Consultative Body)
HIVOS	Humanist Institute for Cooperation with Developing Countries
ICCO	Interchurch Organization for Development Cooperation
IMF	International Monetary Fund
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (Policy and Operations Evaluation Department)
km ²	square kilometre(s)
KSP	Klein SNV Project (Small SNV Project)
LFWB	Local Fund for Women in Bolivia
m	metre(s)
NGO	Non-governmental Organization
NOVIB	Netherlands Organization for International Development
ODA	Official Development Aid
PROSEMPA	Proyecto de Fortalecimiento del Sistema de Multiplicación y Distribución de Semilla de Papa (Project for the Strengthening of the System of Seed Potato Multiplication and Distribution)
SNV	Nederlandse Ontwikkelingsorganisatie SNV (Netherlands Development Organization SNV)
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
US\$	US Dollars
W&D	Women and Development

Glossary

<i>Altiplano</i>	Highlands
<i>ayllu</i>	traditional Andean peasant community
<i>cabildo</i>	traditional local government unit
<i>campesino</i>	peasant
<i>faena</i>	communal chore
<i>Llanos</i>	Lowlands
<i>sindicato</i>	labour union
<i>tarhui</i>	lupine variety (<i>lupinus mutabilis</i>)
<i>Valles</i>	Valleys



Map of Bolivia

Main findings

During the 1990s, over 50% of all public investment in Bolivia has been financed by development aid, which amounted to approximately US\$ 650 million per year. The Inter-American Development Bank, the Investment Corporation of the Andes Pact and the World Bank are the major multilateral donors. Some 20 bilateral donors provide aid to Bolivia of which the Netherlands is the fourth largest, having contributed some Dfl. 840 million (US\$ 426 million) between 1969 and 1996. For Bolivia this represented about 5% of total aid and 8% of the bilateral aid flow. The relations between Bolivia and the Netherlands are dominated by development cooperation. Political, cultural and academic relations are minimal, and bilateral trade volumes and investments by Dutch enterprises in Bolivia are very small.

The general objective of this study was to assess the policy relevance, effectiveness, efficiency and sustainability of the activities carried out under the Dutch development cooperation programme with Bolivia. Evaluated were: programme aid, agricultural development projects financed through the Andes Programme, projects funded through the co-financing agencies (CFAs), personnel inputs and projects by the Netherlands Development Organization (SNV) and the Local Fund for Women in Bolivia (LFWB, a delegated fund managed by the Netherlands Embassy in La Paz). These components comprised two-thirds of all Dutch aid to Bolivia, while the sample evaluated represented 38.5% of all aid in terms of disbursements. Specific attention was paid to gender and to a lesser extent to environmental aspects in each component studied.

1 Overall assessment

The overall assessment concerns the contribution to the broad policy priorities of Dutch aid to Bolivia: the structural alleviation of poverty and the process of democratization in the country. The first priority—poverty alleviation—is shared by all Dutch aid organizations included in this study, i.e. the Netherlands Ministry of Foreign Affairs, SNV and the CFAs. Structural poverty alleviation has three dimensions: income and employment generation,

institutional changes and social empowerment. The support to democratization was an explicit policy priority of the Andes Programme as well as of the CFAs.

The objective of structural poverty alleviation was pursued through programme and project aid. Programme aid was provided in support to Bolivian policies aimed at the improvement of general conditions for socio-economic development. Dutch programme aid reserved foreign exchange to Bolivia, contributed to the restructuring of its debt portfolio, and improved access of a large part of the population to social services such as education. The macroeconomic support contributed to the improvement of economic stability, fiscal discipline, increased capital inflow, growth of public investments in the social sector and modernization of public administration, including the strengthening of local government. However, the economy still depends on the exploitation of non-renewable natural resources and economic growth per capita in real terms remained low. The effects of the adjustment policies on the economic situation of the poor strata of the population have been limited; income distribution is skewed and unemployment remains wide-spread.

The projects under the Andes Programme aimed mainly at the agricultural sector; those of SNV and the CFAs included productive and social sector activities. The smallholder agricultural sector, focal point in the Dutch Andes Programme, was not a priority for the Bolivian government. This Programme aimed mainly at peasants in the Highlands, who comprise 40% of the total population. In these Highlands the growth potential in agriculture is constrained by natural conditions and other factors. A structural reduction of poverty based on agricultural production was hardly feasible in these areas. Support provided by the CFAs, SNV and the LFWB aimed at institutional strengthening and social empowerment rather than at direct poverty alleviation in economic terms. Important effects have been realized in terms of institutional strengthening and civil society capacity building. In the field of Women and Development (W&D), Dutch support has played a crucial role in policy formulation at national and local levels. Apart from more recent, significant initiatives taken in relation to specific environmental issues (which were not part of this evaluation) little attention was paid to the environment as a cross-cutting theme in the projects evaluated.

The Netherlands bilateral aid programme for Bolivia was initially motivated by the wish to support the democratization process. The Netherlands played a pioneering role in commercial debt relief and was among the first to contribute to the social safety net facilities during the politically difficult start of the adjustment programme. These contributions constituted active support to the then fragile democracy and were appreciated as such by the Bolivian authorities. Forty-seven percent of all bilateral resources was implemented by Bolivian non-governmental organizations (NGOs) through SNV, the CFAs, the Andes

Programme and the LFWB. Projects carried out by the NGOs included such objectives as the institutional strengthening of grassroots organizations and the provision of training. These components contributed positively to the strengthening of Bolivia's civil society and facilitated the current process of popular participation in decision-making at the municipal level, hence advancing the process of democratization.

2 Main characteristics of Dutch development assistance to Bolivia

Dutch development cooperation with Bolivia is directly related to the country's political and economic history. During the military regimes before 1982, there was no direct government-to-government assistance. Resources were channelled through either multi-lateral organizations or SNV and the CFAs, which had been active in Bolivia since the late 1960s. Civil society in both the Netherlands and Bolivia played an important role in development relations at this stage and continued to do so. Attention was focused on the human rights issue and educational activities, while later poverty alleviation also gained in importance. The decision by the Netherlands government to launch a bilateral cooperation programme was taken in 1984 and motivated by the wish to support the return to democracy and to foster political stability.

In 1987 the Dutch Directorate General for International Cooperation (DGIS) formulated a policy for Bolivia, Colombia, Peru and Ecuador in the Plan for the Andes Region. The main objective of this regional policy was achieving socio-economic development through the strengthening of the democratization process. In consecutive plans for the Andes Region this objective remained unaltered, but new objectives were added. The country-specific strategy for Bolivia focused on agricultural and social sector development. SNV and the CFAs also formulated specific poverty alleviation policies for Bolivia.

Dutch aid comprised basically two types of interventions: programme aid and project aid. Programme aid to Bolivia was first provided as commodity aid and later increasingly was granted in the form of debt relief and sectoral budget support within the framework of the structural adjustment programme. Project aid by SNV, the CFAs and DGIS served a multitude of specific sectoral or thematic purposes, but was ultimately meant to contribute to the overall objective of structural poverty alleviation. After the opening of a development cooperation office in La Paz in 1988, project aid expanded both in volume and significance. The CFAs and SNV expanded their programmes as well. Women and Development and, to a lesser extent, environmental issues were gradually reflected in the policies. Since the mid 1990s, initiatives by DGIS, the CFAs and SNV have been linked to new legislation on popular participation and administrative decentralization to strengthen public sector management. Recent developments include the activities in the

energy subsector, urban development and delegated embassy funds. Table 1 gives an overview of Dutch aid to Bolivia in the period 1969–96.

Table 1 Dutch aid by category, 1969–96 (in Dfl. millions)

	1969–96	%	1969–74	1975–79	1980–84	1985–89	1990–94	1995–96
Programme aid	271.4	32.3	0.1	0.0	34.6	113.2	63.7	59.8
Project aid, food and humanitarian aid	568.8	67.7	3.7	16.2	30.4	92.8	216.6	209.1
<i>of which:</i>								
<i>co-financing programme (CFAs)</i>	131.7	15.7	0.8	10.1	17.6	30.2	42.2	30.8
<i>SNV</i>	35.9	4.3	1.9	3.7	2.0	6.4	12.9	9.0
Total	840.2	100.0	3.8	16.2	65.0	206.0	280.3	268.9

Note: CFAs and SNV received additional funds for project implementation, Dfl. 72 million and Dfl. 7 million respectively.

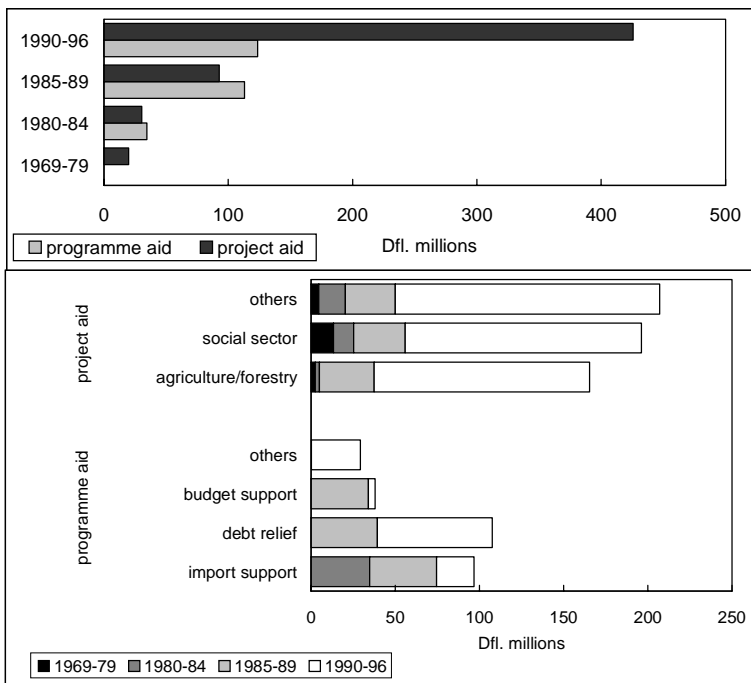
Annual disbursements increased from less than Dfl. one million during the period 1969–74 to an average of over Dfl. 75 million during the period 1990–96. All aid provided to Bolivia has been in the form of grants; one-third was spent on programme aid and two-thirds on project aid and humanitarian aid. Although over time there was an increasing policy convergence between Bolivia and the Netherlands and growing Dutch confidence in the management capacities of the Bolivian public sector, the share of programme aid in total did not increase, as might be expected under such circumstances.

Most disbursements were made for activities in the social sectors, followed by agriculture and forestry. Aid to Bolivia was further characterized by a large number of relatively small development activities and a small number of larger ones. Table 2 shows the sectoral composition of Dutch aid, while graph 1 presents the composition of Dutch aid by different categories of programme and project aid. Since the start of the Andes Programme there has been a substantial increase in disbursements in agriculture. Initially, cooperation was not focused on selected core activities or geographical areas (except for the Andes Programme, which aimed mainly at peasants in the Andes belt). Dutch development aid to Bolivia was implemented through several different channels. Over one-third of the disbursements were channelled through international financing institutions and other multilateral organizations, another third through the co-financing agencies, a tenth through the Bolivian public sector, nearly five percent through SNV and the remainder through other channels. Dutch aid consisted of rather unrelated components backed by the specific policies and programmes of autonomous organizations, such as SNV and the CFAs. This implies that it would in fact be incorrect to speak of a single Dutch development programme, thereby suggesting that the individual components are interrelated. The respective organizations involved all had their own policies, but they shared the common objective of poverty reduction. Their broad coverage enabled linkages with

many institutions, organizations and groups in Bolivian society. During the 1990s there was, however, a trend to thematic and geographic concentration.

Table 2 Dutch aid by sector, 1969–96

Sector/period	1969–96		1969–74	1975–79	1980–84	1985–89	1990–96
	Dfl. millions	%	%	%	%	%	%
Total (Dfl. millions)	840.2		3.8	16.2	65.0	206.0	549.2
Agriculture/forestry/fisheries	175.2	20.9	1.0	14.4	5.4	13.0	25.9
Industry, mining and energy	48.7	5.8	2.0	2.7	0.8	0.7	8.4
Education, health, social infrastructure and population	244.5	29.1	92.0	59.3	26.9	33.8	26.3
Transport, communications, financial services	28.2	3.4	0.0	0.5	4.2	3.3	3.4
Multisectoral	147.5	17.6	3.2	20.4	23.2	32.0	11.5
Non-sectoral programme aid	120.2	14.3	0.0	0.0	21.4	14.7	13.8
Others (incl. food and emergency aid)	75.9	8.9	1.8	2.7	18.1	2.5	10.7
Total	840.2	100.0	100.0	100.0	100.0	100.0	100.0



Graph 1 Dutch aid to Bolivia, 1969–96

3 Relevance

Relevance pertains to the degree to which the aid programme addressed real development problems in Bolivia and whether it was consistent with Bolivian and Dutch aid policies. The programme aid provided by the Netherlands to Bolivia was relevant in view of the latter's macroeconomic crisis in the early 1980s. Debt relief helped Bolivia to eliminate its commercial debt. Sectoral budget support provided a social safety net and infrastructure in education, health and water supply. The supply of fertilizers was relevant in view of decreasing natural soil fertility, benefiting only those peasants producing potatoes as a cash crop. Projects carried out by SNV, the CFAs and DGIS were relevant to the many economic and social problems prevailing in Bolivian society. Projects in the agricultural sector hardly dealt with the sector's main development constraints such as the poor's lack of access to land and water, a lack of appropriate sectoral policies and a difficult market situation. This was due to insufficient analysis of bottlenecks and of strategies to solve them. Since the 1990s more attention has been paid to studies, and analyses were carried out by the Embassy, SNV, the CFAs and other donors.

After 1985, Dutch programme aid began supporting Bolivia's structural adjustment programme. Only part of the commodity aid responded to policies related to the Bolivian priority sectors: transport and communication and the exploitation of natural resources. Policies were lacking for the agricultural sector, where Dutch projects were concentrated. As a consequence, many projects of the Andes Programme and several productive projects of the CFAs and SNV operated in a policy vacuum and in isolation from other activities. Projects aiming at the institutional strengthening of the NGOs, and support to grassroots organizations by the CFAs and SNV, were relevant in view of Bolivia's participation and decentralization policies. In the fields of Women and Development and agricultural research and innovation, sub-sectoral policies emerged over time. Projects were supportive in developing those policies, such as initiatives funded by the LFWB and the CFAs and a few projects under the Andes Programme. Other projects managed to place issues related to ethnic minorities and forest management on the political agenda.

Programme aid has been relevant to the strengthening Bolivia's economy and self-reliance. The support to the social funds and the provision of fertilizer were also relevant to the objective of poverty alleviation. Poverty criteria were central in the selection of target groups, sectors and geographical areas. Nearly all projects were in line with the broad spectrum of Dutch aid policies, and/or the separate policies of SNV and the CFAs. During the 1990s, the gender focus received increasing attention. The LFWB emphasized the institutionalization of gender as a subject. Bolivia is an environmentally vulnerable country, but many projects did not include environmental aspects, apart from those focused on

specific environmental issues. The agricultural projects lacked a common environmental strategy.

At the level of individual projects some general development policies were difficult to operationalize since practical instruments were not readily available. This was the case in the field of W&D, in the process approach for the SNV and in the agricultural projects under the Andes Programme.

4 Effectiveness

The effectiveness of Dutch programme aid had to be assessed within the context of total macroeconomic support provided to Bolivia. Programme aid in support of the structural adjustment programme was effective. Stabilization programmes put the brakes on hyperinflation and later improved economic indicators, while social sector reform, in particular education, showed positive results. Commodity aid, motivated by sectoral rather than macroeconomic considerations, was generally less effective. Foreign exchange was saved in the case of medicines, aircraft and part of the fertilizers. Fertilizer aid was effective in providing peasants with access to fertilizers, but aid fertilizers became price-setters in the market and pushed commercial trade houses out of business. Some supplies, such as agricultural equipment or electric light bulbs (7% of commodity aid), were not effective at all. Commercial debt relief was effective since it contributed to the re-structuring of Bolivia's debt portfolio and enabled renewed access to international financial markets. The social funds improved access to social services. In combination with other sectoral programmes, these funds contributed to improving national social indicators.

The projects that were evaluated were generally effective in reaching their own objectives, though there were a number of negative examples. Some projects had rather general, ambitious or even unrealistic objectives that lay beyond the capacity of the implementing institution (e.g. stemming rural–urban migration, changing food habits or increasing productivity in traditional crops cultivated under extreme marginal conditions). Of the agricultural projects under the Andes Programme, research and innovation, the single commodity projects and one of the three integrated development projects studied were effective. The effects on economic poverty reduction were low and those on food security marginal. Projects in the NGO sector were effective in the institutional and social dimension of poverty reduction. Many activities in the NGO sector have positively influenced policies, promoted legislation or contributed to social empowerment. They also contributed to institutional strengthening and better functioning of the counterpart organizations. As such, SNV projects and personnel inputs were more effective at the

institutional than at the target group level. The strengthening of civil institutions, including trade unions, human rights organizations, documentation and information centres, represented an important value in itself and contributed to the objectives of good governance and democratization in society.

Only 1% of all employment and income generated by the Social Emergency Fund (FSE) has been of direct benefit to women, but there were indications that women have benefited more from Social Investment Fund (FIS) investments in social infrastructure than the male population. The donation of fertilizer has resulted in the understanding of its application among peasant women and has raised their income as well. The Local Fund for Women in Bolivia was effective with regard to its immediate objectives, but long-term effects on women could not yet be established. Due to the problem of implementing gender policies in the daily practice of projects, neither SNV nor the agricultural development projects could show significant results in terms of the improvement of the position of women. The CFAs did introduce the W&D theme and the gender-oriented approach into their programmes, so that most counterparts now have either special programmes or project components for women. Some of them have been working with women for quite a long time already.

Generally, the projects studied did not cause damage to the environment. Only a few contained specific measures to address environmental problems and these were only modestly effective. Positive examples were the introduction of rhizobium inoculants for nitrogen fixation, and the forestry projects in the Lowlands. One of these led to the formulation of a larger environmental project.

5 Efficiency

Commercial debt relief was efficient both in terms of timing and in terms of the use of financial resources. The procurement of supplies was efficient in financial terms, although some fertilizer purchases could have been made at lower cost. Because commodity aid was not appraised beforehand, the supply of some goods (electric light bulbs and water pumps, for example) was highly inefficient. Until 1992, the administration of countervalue funds generated by the monetization of commodity aid lacked transparency. The efficiency of sectoral budget support to the social funds was high.

The appraisal process for projects was generally lengthy. Project objectives did not always match the resources made available (time, funds). Some projects contained too many different activities or covered geographical areas that were too extensive. Different projects in the agricultural sector comprised almost all aspects of the agricultural

production cycle, but they were neither interlinked nor mutually reinforcing. Resources were usually provided in accordance with the available donor budget and management capacities rather than with the actual requirements for achieving project objectives. In most projects management was hampered by a lack of a monitoring system, including baseline data. Most of the institutions demonstrated satisfactory skill in implementing projects and managing resources. Both NGOs and grassroots organizations underwent a process of professionalization, but some of them still showed weak management skills.

6 Sustainability

Bolivia had only limited institutional capacity for linking international aid to its own policies or priorities. Consequently, the projects primarily reflected the policies and perspectives of their donors and lacked an institutional framework for consolidating and sustaining activities in the future. The institutional sustainability of activities within the public sector was modest. An appropriate government contribution to the implementation of donor-supported projects and the requirement for consolidation and continuation of activities was made difficult by a simultaneous process of retrenchment of the public sector as part of the structural adjustment process. Since 1995, aid provided through both the Andes Programme and the CFAs has increasingly focused on the participatory and administrative decentralization initiatives of the government, which has enhanced their potential sustainability and coincided with Dutch policies about good governance.

Except for the supply of medicines, a lack of cost recovery facilities prevented Bolivia from procuring with own resources the supplies given as commodity aid. Debt relief enabled the contracting of additional loans on more concessional terms, but did not result in a sustainable debt profile in the period under review. The activities financed by the social funds were mostly financially sustainable thanks to either user contributions or the availability of decentralized budgets by local governments for their operation and maintenance.

In most of the Andes Programme agricultural projects, assessment of the post-project situation has been inadequate, both institutionally and financially, and only in exceptional cases have plans been made for the transfer of their activities, tasks and responsibilities.

The CFAs and SNV have focused a great deal of attention on the institutional strengthening of counterparts by providing training and implementing planning, monitoring and evaluation systems and administrative back-ups, thus promoting the institutional sustainability of the partner NGOs. Several counterparts have become nationally and internationally recognized institutions and exercise considerable authority. Many of the

supported organizations have managed to survive, to grow and to face new challenges and priorities. The long-lasting relationship with and support from the Dutch CFAs was highly valued in Bolivia, but at the same time it entailed an element of dependency. The organizations supported by the SNV and the CFAs were aware of their dependence on external sources. Most projects paid relatively little attention to financial sustainability. Positive exceptions were the credit schemes supported by the CFAs, which succeeded in introducing financially sustainable systems and are now operating independently.

Since environmental issues played a modest role in both programme aid and in the majority of the projects, and no ecological damage was caused, activities were considered to be neutral with regard to environmental sustainability.

7 Local perceptions of development aid

A study was done of perceptions on development aid by the social actors at the local level. This study illustrated people's experiences in two rural municipalities. It was shown that aid benefits were not distributed equally among communities, nor were they distributed equally among the members of those communities. People with resources (time, money, labour, infrastructure, know-how) benefited most. There was a clear differentiation according to sex, age and social position. Actors at the local level regarded the relationship between projects and executing organizations and their personnel as a negotiation process with reciprocal obligations. Participation in projects also included costs, especially time, but people also experienced social pressure and authoritarian behaviour. Positive aspects included the opportunity to work together; to learn planning and coordinating activities, to negotiate and to establish of outside contacts. At the same time there was a strong fear that aid would threaten communal unity and would create division and conflict. In practice, a number of projects had caused conflicts, especially when benefits were individualized such as in the case of income-generating or productive projects.

Summary

1 Design and scope of the study

This report presents the results of an evaluation of the Netherlands bilateral cooperation with Bolivia by the Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs. The general objective of the study was to assess the policy relevance, effectiveness, efficiency and sustainability of the Netherlands development cooperation programme with Bolivia. Bolivia was chosen because no country programme in Latin America had yet been evaluated and it was expected that Bolivia would continue receiving development aid in the future, in contrast to a number of other countries of the Regional Andes Programme. From 1969 through 1996 Dutch aid to Bolivia totalled Dfl. 840 million. Programme aid comprised about a third of all Dutch aid to Bolivia in terms of disbursements, the remainder being mainly project aid. On the basis of their financial and policy importance the following components were selected for detailed evaluation.

Programme aid:

- Import support
- Debt relief
- Sectoral budget support: the Social Emergency Fund (FSE) and the Social Investment Fund (FIS)

Project aid:

- Agricultural Development Projects under the Andes Programme
- Projects funded through the co-financing agencies (CFAs)
- The Netherlands Development Organization (SNV)
- The Local Fund for Women in Bolivia (LFWB).

All programme aid and project aid components selected for evaluation cover about two-thirds of all Dutch disbursements to Bolivia, while the sample evaluated thereof represents 38.5%.

In addition, studies were conducted on non-aid relations between the Netherlands and Bolivia and on beneficiaries' perceptions with respect to (Dutch) development initiatives in two selected municipalities. The studies' regional focus was on Potosí and Cochabamba, the two departments that received most Dutch aid. For some programme components, projects outside these departments were added to the sample to make it more illustrative of the aid programme as a whole. The evaluation covered the entire period of Dutch aid to Bolivia since 1969, but focused on the period 1985–95. Time periods are employed according to the historical logic of each evaluated component. In all studies special attention was paid to gender issues. Both field and desk studies were conducted and evaluation results of each component are filed in separate research documents. Statistics used in this report are presented in nominal terms, unless indicated otherwise. All results, conclusions and evaluative judgements in this report are based on the activities evaluated, unless indicated otherwise.

2 Bolivia

History

Bolivia is a land of striking geographical and cultural diversity. Its recorded history goes back more than fifteen centuries. The Spanish colonization led to demographic changes and the marginalization of the indigenous population. After an independence struggle of several years, the Republic of Bolivia was founded in 1825. Between 1825 and 1935 all neighbouring countries annexed parts of the Bolivian territory. Its surface area was halved and the country lost its access to the sea. During independence the indigenous population continued to suffer exploitation and discrimination at the hands of the land- and mine-owning elite. The National Revolution of April 1952 introduced structural reforms, such as the right to universal suffrage, nationalization of the mines, large-scale state investments in the economy and a policy of import substitution. The subsequent Agrarian Reform (1953) distributed land among the indigenous peasants. During the 1960s and 1970s a series of military coups took place, accompanied by the systematic repression of the working, peasant and mining classes. After 1978 there was a period of political instability with eight more military coups. In 1980 García Meza set up one of the most notorious dictatorships in the country's history. In 1982 power was transferred to the civilian government of president Siles Suazo. The next government subscribed to the neo-liberal economic model. The governments that followed continued the neo-liberal economic policies, and introduced social and administrative reforms.

Geography and population

Bolivia is located in the heart of the Latin American continent and covers about 1.1 million km². Its topography and climate vary sharply according to altitude. Three regions with particular geographic characteristics can be distinguished: the *Altiplano* (Highlands; dry and cold) the *Valles* (valleys; a temperate climate) and the *Llanos* (Lowlands; flat and humid, scattered with woods, savannahs and swamps). Bolivia's most serious environmental threats are soil erosion in the Andes belt and Lowlands and massive deforestation of the Lowlands.

Bolivia has a population of about seven million (1995), with an annual growth rate of 2.1%. Approximately 60% of the population live in the urban areas. Seventy percent of the Bolivian households have no adequate access to primary education, health, basic sanitation and housing. There is massive temporary and permanent migration from the Andes belt to the cities, to unexploited lowland areas in eastern Bolivia and to neighbouring countries. Although social indicators (life expectancy, health, nutrition and education status) have improved in absolute terms over the last decade, Bolivia's position on the Human Development Index of the United Nations Development Programme (UNDP) remains low (no. 113 on a list of 173 in 1994) and even deteriorated during the period 1988–94. Regarding most economic and social indicators, the position of women is worse than that of men.

Bolivian society comprises different cultures and languages. In the Andes values and habits of the Aymaran and Quechuan peasant communities continue, including the organizational form of the *ayllu*, traditionally a community living on a collectively owned unit of land. Part of Bolivian society has adopted Western standards, while mixtures of Western and Andean cultures can also be observed. The traditional life of the indigenous groups in the Lowlands is threatened by deforestation and sales of previously public land. In order to make the public sector more responsive to the problems of the different ethnic groups in Bolivia, a special Secretariat for Ethnic Affairs was set up in 1993.

Economy

Bolivia was hit by a severe economic and monetary crisis from 1982 to 1985. Historical hyperinflation (11,700% in 1984) led to strikes, blockades, speculation and boycotts. Economic reform became necessary. An economic stabilization and adjustment programme started in 1985. Initially (1985–90), emphasis was placed on stabilization, liberalization and administrative and institutional reform programmes. The massive dismissal of state employees, especially miners (23,000) in 1985, caused a great rise in unemployment

and led to marginalization in urban areas. Later (1991–94), the programmes focussed on combating poverty, including investments in primary health care and education. Since 1994 reforms have focused on processes of democratization, popular participation and administrative and budgetary decentralization. The most immediate gains of stabilization were putting a brake on inflation and improvements in the management of the national accounts. Later, the new economic policy enabled improvements in the social sector and modernization of the public administration. However, domestic savings and private sector investments were below expectations and real economic growth per capita remained low. Income distribution remained skewed and poverty was as widespread as before. The level of employment generation was also disappointing.

At present, 40% of the economically active population (2.5 million) work in the agrarian sector and almost a third are employed in the commercial and services sector. Of the urban labour force, 63% works in the informal sector. The Gross Domestic Product (GDP) of Bolivia was 39.1 billion bolivianos (US\$ 7.8 billion) in 1996. The real annual growth in GDP was on average between 3.5 and 4.5% during the last decade.

The agricultural sector in Bolivia is characterized by its dualist nature: a traditional (or peasant) one, mainly found in the Andes belt, and a modern sector in the Lowlands. The traditional sector typically comprises smallholdings on which peasants produce food crops with a relatively low yield. The modern subsector produces cash crops for processing and export, such as sugar cane, soya beans, rice and cotton. Extensive cattle raising is concentrated in the areas less suitable for crop production. During the last decade the agricultural sector contributed between 15% and 23% to the GDP. Until the 1950s, agricultural activity in Bolivia thrived almost exclusively in the Andean region, but since then the eastern region has gained in importance and accounts for approximately 40% of the land cultivated nationwide today. This growth reflects mainly the private investments made in soya bean production during the 1990s. The agricultural sector faces constraints, such as the lack of a defined role for the sector in national policies and strategies; the lack of research and technology transfer; insufficient investment in the agro-industry, infrastructure and transport; a small internal market with little purchasing power, combined with the landlocked position of the country which hampers exports. The cultivation and use of coca leaves is part of the Andean culture and fulfils an important religious, cultural and social role. Nowadays, it has become associated with the processing of cocaine and the narco-trafficking. Though it is difficult to quantify economic importance, the cultivation of coca generates considerable employment, foreign exchange and income.

In the past, mining was mainly restricted to the production of tin. In the 1980s, the production of gold, silver, lead, lithium and zinc increased; mining continues to be an important foreign exchange earner, but its share in the GDP has dropped and its

contribution to employment is rather modest. Bolivia is self-sufficient in petroleum and exports gas. Bolivia's manufacturing sector is small and is linked to the agricultural and mining sectors. Industry faces constraints similar to those confronting the agricultural sector: a weak infrastructure and high transportation costs, the small scale of the national market with little purchasing power, and expensive credits and high import costs.

Government policies and administration

Bolivia is a unitary republic with a representative democracy. The president and vice-president are elected directly by absolute majority for a period of five years. Bolivia has nine departments, each having a prefecture and a departmental council. At the local level, the municipality is the basic unit of administration. Consecutive governments have taken steps to strengthen the democracy, e.g. by providing autonomy to the National Electoral Court, the Central Bank and the Controller General's Office. In the 1990s, a re-structuring of Bolivia's political administration was set in motion. The changes referred to a package of new laws such as Reform of the Political Constitution, the Laws on Capitalization, Popular Participation, Administrative Decentralization and Educational Reform. The new Constitution recognizes the multi-ethnic and pluri-cultural character of the country. Municipalities were strengthened as a mechanism to decentralize both political and administrative tasks. The Laws on Popular Participation and on Decentralization changed the relationship between the state and civil society, and led to new responsibilities and a distribution of resources to the municipal level. Frequently, policies showed some discontinuities due to the changes of government.

3 Relations between the Netherlands and Bolivia

Apart from development assistance, the relations between Bolivia and the Netherlands have been modest. In 1941 diplomatic relations were established between both countries, though there had been honorary consular relations since 1862. The level of the diplomatic representation and the seat of the Dutch representative changed frequently. The Netherlands government decided not to recognize García Meza's government (1980) and to suspend the diplomatic relations. These were reactivated with the return to democracy in 1982. In 1988 an office was opened to coordinate development cooperation, which in 1993 became the Royal Netherlands Embassy. Until 1988 development aid had been administered by the Embassy in Lima.

In general there has been little interaction between the countries, as illustrated by the limited number of bilateral agreements. Except for three ministers of development cooperation, there have been no official visits to Bolivia. Bilateral consultations have been

limited to development cooperation, and discussions in the Dutch Parliament related to Bolivia have mainly had to do with development aid. Apart from this, the Netherlands paid special attention to the human rights issue during the regime of General García Meza.

Trade and investment volumes with Bolivia have remained small with little willingness to invest on the part of Dutch enterprise. Only a small number of Dutch companies have developed activities in the country. Policies and instruments for trade and investment promotion were not applicable with respect to Bolivia or not used. The Netherlands has no strategic or military interests in Bolivia. On the other hand, there has been quite some interest on the part of civil organizations in the Netherlands that have funded activities in Bolivia or contributed to the dissemination of information and consciousness-raising in the Netherlands on the situation in Bolivia. Exchanges through tourism, migration and visits have been modest, and there have been few activities in the field of cultural cooperation with Bolivia. Media coverage of Bolivian affairs has been minimal.

4 Foreign aid to Bolivia

International aid to Bolivia

Since the 1970s, net disbursements of Official Development Assistance (ODA) to Bolivia have averaged over US\$ 300 million per annum, while during the period 1990–95 they exceeded twice that amount: on average US\$ 650 million per year. Foreign aid has been important for economic stability and growth in Bolivia, and for the implementation of the ongoing reforms. ODA in relation to the GDP (10–14%) was among the highest in Latin America and of utmost importance to the balance of payments and the financing of the fiscal deficit. Table 3 presents an overview of total ODA to Bolivia since 1970.

Table 3 ODA to Bolivia, 1970–95 (in US\$ millions)

Period	Total aid	% Grants	Average per year
1970–79	1,007.3	41	100.1
1980–89	3,468.5	49	346.9
1990–95	3,920.0	45	653.3
Total	8,395.8	46	322.9

Source: OECD Geographical Distribution of Financial Flows to Developing Countries. Paris, 1975, 1980, 1989, 1992, 1995.

ODA to Bolivia consisted of approximately 55% loans and 45% grants. About half of all ODA was spent on investment projects, while programme aid (including budget

support) and the NGO sector received about a fifth. Recently, trends have begun shifting to the social sectors, good governance and transport. The United States Agency for International Development (USAID) was the most important donor during the 1950s and early 1960s. Since 1982 other bilateral donors have started pledging resources. Since 1985 multilateral donors have made resources available for structural adjustment and sectoral reform. Besides bilateral and multilateral programmes, aid has been provided by international and national NGOs. By 1996, over five hundred NGOs were listed in the National NGO Register. The total budget of NGOs in Bolivia is estimated at US\$ 200–300 million annually. It is unknown to what degree this amount overlaps with the ODA mentioned above.

Bolivia's capacity to coordinate external aid showed a number of structural weaknesses, such as: little clarity on the procedures for contracting foreign assistance; lack of well-formulated projects; low disbursements; weak monitoring; non-availability of counterpart funds; and lack of coordination between the Bolivian state agencies involved. The creation of a social fund was a positive exception, since it allowed the Bolivian government to channel donor resources to the social sector. Coordination among Bolivia's donors was limited and policy priorities of individual donors prevailed. The government of Bolivia increasingly coordinates with donors within the framework of the Consultative Group meetings.

Policy of Dutch development cooperation with Bolivia

During the period before 1983, there was no direct bilateral assistance, or more precisely government-to-government aid. The Netherlands had no specific policies as far as Bolivia was concerned. Dutch development cooperation was channelled through multilateral agencies, the SNV and the co-financing agencies (CFAs). The Netherlands reactivated its diplomatic relations when the military regime was substituted by a democratic government, offering to contribute to Bolivia's balance of payments through commodity aid. The policy was aimed at the promotion of socio-economic development through the strengthening of the democratization process. This policy was laid down in the Andes Programme, which included Bolivia, Colombia, Ecuador and Peru. For Bolivia emphasis was put on the agricultural sector through the improvement of the physical infrastructure, agricultural extension, etc.

In 1988 a development cooperation office was opened in La Paz. The central policy objective for 1990–92 was poverty alleviation through balanced socio-economic development and democratization. Thirty percent of the available resources were to be destined for programme aid. The projects were to be concentrated in four departments: Potosí, Chuquisaca, Cochabamba and Tarija. Urban activities were focused on El Alto, which

includes some of the poorest suburbs of the metropolitan area of La Paz. In subsequent regional plans the main policies remained unaltered while new elements were added. Since 1995 Dutch aid initiatives have been linked to the new legislation on decentralization and popular participation programmes in order to strengthen public sector management. The priority programmes of the Netherlands in Bolivia (agriculture, environment and Women and Development) were further integrated with national programmes and were primarily focused on nineteen selected municipalities. New activities were developed in such areas as the energy subsector, urban development and small- and medium-size enterprise. The general Dutch policy is to use the process approach in the implementation of development activities, but in Bolivia this has not been carried out systematically. Dutch policies with regard to Bolivia are regularly discussed in bilateral policy dialogues and in the framework of the Consultative Group.

Main programme characteristics

Table 4 presents Dutch ODA to Bolivia during 1969–96. The Netherlands is Bolivia's fourth largest bilateral donor, contributing between 1969 and 1996 about Dfl. 840 million (US\$ 426 million; 8% of total bilateral aid flow). The average annual disbursement was Dfl. 31.1 million. Disbursements have grown considerably over time: from less than one million during the period 1969–74 to over Dfl. 75 million annually during the period 1990–96. In 1996, Bolivia was the largest recipient of Dutch aid in Central and South America and the sixth one world-wide. From 1987 onwards there was a marked increase in Dutch-supported development cooperation with funds from the Andes Programme. The activities of the SNV and the co-financing agencies were also expanding. The total amount spent from 1990 through 1996 was over Dfl. 549 million. All aid provided to Bolivia has been in the form of grants and has been untied since 1987.

Table 4 Dutch ODA to Bolivia, 1969–96 (in Dfl. millions)

Period	Disbursements	%	Average per year
1969–74	3.8	0.5	0.76
1975–79	16.2	1.9	3.25
1980–84	65.0	7.7	13.00
1985–89	206.0	24.5	41.21
1990–94	354.3	42.2	70.86
1995–96	194.9	23.2	97.45
Total	840.2	100.0	31.12

Of all disbursements programme aid represented about one-third. Programme aid consisted of commodity aid (mainly fertilizers), debt relief, sectoral budget support and the

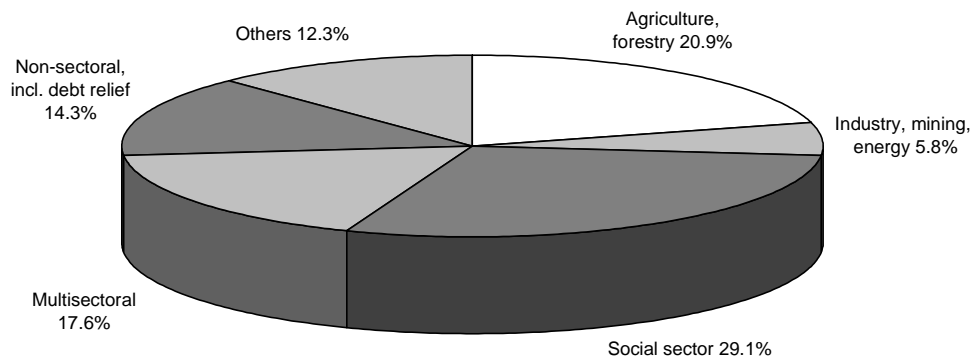
co-financing of the structural adjustment programme. The two priority themes introduced in the Netherlands development cooperation programme in the late 1970s, Women and Development and the environment, were gradually included in the policies formulated for Bolivia, especially after the formulation of the 1990 Regional Plan for the Andes. Environmental activities supported in Bolivia were mostly concerned with reforestation and erosion control. Later a special programme on alternative energy generation was added. Sector specialists for Women and Development, environment and energy were posted at the Netherlands Embassy in La Paz, and both a Local Fund for Women and a special delegated budget for the environment were created.

After 1985 the volume of project aid increased. Over 50% of all projects were related in some way to the agricultural sector, of which an increasing number were destined to research and experimental projects. An overview of Dutch aid is presented in table 5, while graph 2 shows the sectoral composition.

Table 5 Dutch aid by category, 1969–96 (in Dfl. millions)

	1969–96	%	1969–74	1975–79	1980–84	1985–89	1990–94	1995–96
Programme aid	271.4	32.3	0.1	0.0	34.6	113.2	63.7	59.8
Project aid, food and humanitarian aid	568.8	67.7	3.7	16.2	30.4	92.8	216.6	209.1
of which:								
co-financing programme (CFAs)	131.7	15.7	0.8	10.1	17.6	30.2	42.2	30.8
SNV	35.9	4.3	1.9	3.7	2.0	6.4	12.9	9.0
Total	840.2	100.0	3.8	16.2	65.0	206.0	280.3	268.9

Note: CFAs and SNV also received additional funding for project implementation.



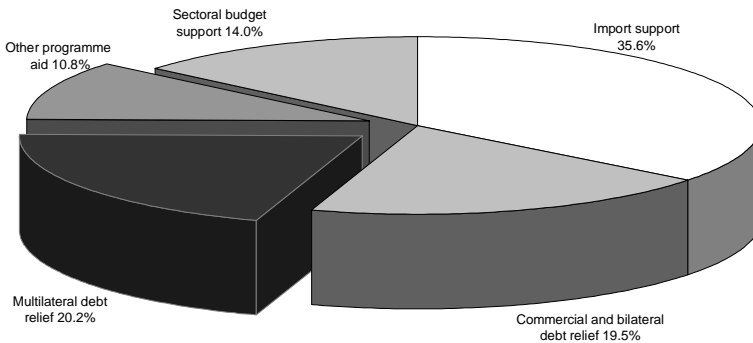
Graph 2 Sectoral distribution of Dutch aid, 1969–96

Dutch development aid to Bolivia was financed through different channels. Over one-third of the disbursements were channelled through multilateral organizations, nearly another third through the co-financing agencies, a tenth through the Bolivian public sector, nearly 5% through the SNV and the remainder through other channels.

The implementation of activities went through different channels as well. The Bolivian NGO sector implemented about 47% of total Dutch aid. The Bolivian public sector executed nearly 30% and multilateral organizations (multi-bi projects) nearly 15%. The number of projects administered and implemented directly by Dutch development cooperation or contracted out to consultancy firms was very small.

5 Programme aid

Dutch programme aid to Bolivia during the 1982–96 period amounted to Dfl. 271.4 million and is shown in table 6. Except for multilateral debt relief and the co-financing of a structural adjustment credit, all programme aid has been evaluated. The evaluated part amounted to 69% of all Dutch programme aid to Bolivia. The distribution per category of programme aid is shown in graph 3.



Graph 3 Programme aid to Bolivia by category

During the first years of programme aid, Bolivian requests to focus this assistance on their priority sectors (transport, communications and exploitation of natural resources) were not addressed. Fertilizer aid started as a Dutch initiative, but when the Netherlands planned to discontinue the supplies, the Bolivian government requested their continuation, though of no avail. Import support prevailed during the first half of the 1980s, and later on debt relief and sectoral budget support became more important. The change in forms of programme aid reflected both the evolution of Bolivia's economic adjustment and the growing Dutch confidence in Bolivia's policies and management capacities. In the course of time, more policy convergence was achieved. All import support was implemented

bilaterally, while half of the debt relief, all sectoral budget support and 70% of other programme aid were provided through joint co-financing arrangements with the World Bank.

Table 6 Overview of Dutch programme aid to Bolivia, 1982–96

Year or period	Activity	Disbursement in Dfl. millions
Import support		96.7
1983, 1984, 1990	supply of medicines	8.8
1982–91	supply of fertilizers and other agricultural inputs	56.9
1984, 1986	delivery Fokker F-27 and spare parts	13.5
1986	supply of electric bulbs Philips	3.0
1986	reimbursement of steel pipes procured by national oil company YPFB	11.0
1991	supply of agricultural equipment	3.5
Debt relief		107.6
1987–92	buy-back commercial debt titles	44.3
1992	other debt relief	8.5
1995, 1996	multilateral debt relief	54.8
Sectoral budget support 1986–92	support to social funds	37.9
Other programme aid		29.2
Total		271.4

The instruments of programme aid

Import support

General import support aims to reduce shortages of imported goods and to increase the production capacity of the country. Dutch commodity aid represented 5% of all import support received by Bolivia during 1982–95, and most of it went to the agricultural sector. The health sector received nearly Dfl. 9 million. The supply of fertilizers was meant to reduce the deficit on the balance of payments and to contribute to food security at a national and farm level. During a ten-year period it comprised nearly 63,000 metric tonnes. Of the other commodities delivered, the marketing of electric bulbs proved to be difficult and the unpurchased stock was handed over to the Social Investment Fund (FIS). By late 1996 about one-third of the bulbs were still in stock. A purchase of steel pipes by the national oil company was reimbursed. Bolivia used the foreign exchange for the prepayment of Dutch electricity generators. In 1987 Bolivia requested agricultural equipment (water pumps), but delivery was delayed for several years. As of 1996 few

pumps had been sold because the technical specifications of the pumps supplied were unsuitable for Bolivian conditions and marketing structures were inadequate.

Debt relief

The official bilateral debt owed to the Netherlands by Bolivia had its origin in the purchase of Fokker aircraft in 1979 for an amount of Dfl. 92 million. The rescheduling of this debt took place within the context of the Paris Club agreements. In 1987, the Dutch government made foreign exchange available to Bolivia for a buy-back operation of commercial debt titles at no cost to the Bolivian Central Bank. At the same time Bolivia made a proposal to the International Monetary Fund (IMF) to set up a Trust Fund for the buy-back of this commercial debt. After a first direct purchase by a Dutch bank, the remaining resources were deposited in the IMF Trust Fund. During the following years Bolivia succeeded in eliminating almost its entire commercial debt. In 1995 Bolivia reached an exit agreement with the Paris Club creditor countries. Since 1995 the Netherlands has contributed to a Multilateral Debt Fund which enables Bolivia to comply with its multilateral debt service obligations.

Social investment funds

The Social Emergency Fund (FSE; 1987–90) was conceived as a temporary palliative instrument to help the ‘new poor’ during the immediate aftermath of structural adjustment measures. After three years it was replaced by the Social Investment Fund (FIS; 1990), aiming at structural poverty alleviation. While the FSE’s principal objective was temporary employment generation by means of infrastructural and social works, the objectives of the FIS were improving the coverage of health, education, water supply and sanitation services and international fund-raising for the social sectors. The FIS funded infrastructural and social service projects for specific target groups. Both the FSE and the FIS succeeded in attracting considerable external funding. The Dutch support to the social funds was not earmarked. It was channelled through a co-financing agreement with the World Bank.

Evaluation

Relevance

The supplies under the commodity aid programme were relevant in terms of the Bolivian structural adjustment process and as a support to the balance of payments. Medicine supplies were relevant to an existing problem in Bolivia and consistent with Bolivian

sectoral policies. The choice of the other commodities was, however, not in line with the sectoral priorities of the Bolivian government, i.e. transport, communication and the exploitation of natural resources. The agricultural sector, for example, did not figure among Bolivia's key sectors for economic or social development and lacked an explicit policy framework into which the fertilizer supplies could be located. As a result, their main relevance was in relation to Dutch policies that stressed agricultural development in the Andes. Other supplies mostly addressed ad hoc needs in Bolivia.

In 1987, the policy relevance of the Dutch initiative to contribute to debt relief was substantial and closely related to macroeconomic reforms. The Netherlands was a trend-setter for other donor contributions to debt relief. Dutch debt relief implied support to democracy in Bolivia at a time when the country was threatened by economic crisis.

The support to the FSE and FIS was highly relevant in all respects. It addressed the crisis in public social services and corresponded with social priority schemes maintained by all governments since 1986. The social funds provided an instrument to the Bolivian government to coordinate donor support to the social sector. The relevance to Dutch policy was also high, since the funds promoted the access of poor rural groups to social infrastructure, services and programmes, and created rural employment. At a later stage, the FIS formulated specific policies on gender and the environment. The support to the social funds also contributed to the democratization process, because civil society (NGOs, grassroots organizations) and local governments were involved in the implementation of the activities. Since 1994 the FIS has played an active role in the Bolivian government's decentralization policy.

Effectiveness

The macroeconomic effects of all Dutch programme aid cannot be isolated from the macroeconomic support provided by other donors and financing institutions. The best overall indicator is, therefore, the performance of the economy itself since the start of the economic adjustment programme. This programme aimed to help Bolivia at a crucial moment in its economic and social development. The new economic policy improved financial stability and fiscal discipline: monetary policies succeeded in putting a brake on hyperinflation, while fiscal deficits became manageable, official reserves increased, the external debt overhang diminished, capital inflow increased and exports diversified and increased in volume. The following generations of reforms improved the social sector, in particular education and the pension system. The organization of the state was modernized, public administration increasingly decentralized and local governments strengthened. Public enterprises were privatized. However, private sector investment was below expectations and real economic growth slow (in particular if expressed on

a per capita base). Domestic savings fell as a percentage of GDP and no significant private investments were realized (except for investments in soya production). Structural adjustment did not cause fundamental changes in the economy, which still depends on the exploitation of non-renewable natural resources. Policies failed to generate formal employment, while labour rights deteriorated and wage levels stagnated in real terms. There was hardly any effect on poverty alleviation: 70% of the total population and 95% of the rural population could still not satisfy their basic needs.¹

The effect of Dutch import support on the balance of trade was insignificant, but foreign exchange was saved. Of fertilizer aid, approximately 40% should be considered fungible, while all other supplies (with the exception of the aircraft) should be considered additional. Local sales prices for fertilizer were not based on economic criteria, and aid fertilizers became price-setters in the market. Of all commodity aid, the countervalue funds represented 62% of the cost price of the goods supplied and 99% of the estimated value of monetization. Countervalue funds, however, did not help to alleviate the general pressure on the public budget, as they were mostly used for extra-budgetary expenditures. Of medicine supplies and fertilizer aid most effects were observed at the micro level (access to medicines and preventive health care, and more income at farm level, for women as well). Fertilizer aid distorted the national market and pushed commercial trade-houses out of business, but informal local retailing improved access to fertilizer by smallholders. The donation of the water pumps and electric light bulbs had no positive effects.

The Dutch initiatives to repurchase commercial debt titles (1987) and the subsequent deposits in the IMF Trust Fund and the Debt Reduction Facility of the International Development Association for the same purpose had positive direct effects. The debt relief activities contributed to the restructuring of Bolivia's debt portfolio and facilitated access to international financiers. On the other hand, this implied an increasing share of multilateral debt, which contributed to a higher degree of dependency on a limited number of international lending institutions; in that sense it was inconsistent with the self-reliance objective.

The FSE activities made sizeable contributions to both GDP and employment generation. Initially, external financing partially replaced national efforts: between 1986 and 1990 public sector expenditure in the social sector slowed down (as a consequence of stabilization measures), but it increased afterwards. In 1995 approximately 31% of total public expenditure and 20.4% of public investment were directed at the social sectors. In 1996 the first figure rose to 37%. This does not necessarily imply that these allocations directly benefited the poorest strata in society. Both the FSE and FIS were effective

¹ Source: World Bank. *Bolivia. Poverty, Equity, and Income. Selected Policies for Expanding Earning Opportunities for the Poor*. Volume I. p.5. 1996. Washington: World Bank.

in re-establishing confidence in the government and in demonstrating the presence of the state nationwide. The FSE reached 1.7 million and the FIS 1.5 million beneficiaries (1990–93), directly or indirectly. Although the FSE was successful in reaching poor population strata, it did not directly reach its target group of ‘new poor’, while the effects on women were also negligible in terms of employment generation: only 1% of all persons employed through the FSE were female. Later, the FIS included women as a ‘vulnerable’ group in its policies but did not develop specific gender policies until 1994. However, the investments made in social infrastructure seemed to have benefited women more than men. Unlike the FSE, the FIS had little impact on incomes of the poor since it did not aim directly at employment and income generation. In combination with other sectoral programmes in the social sector, however, the efforts of the FSE and FIS were effective in improving national social indicators. A larger percentage of the population has gained access to basic services like drinking water facilities and sanitation.

Efficiency

In the case of commodity aid, the procurement of the supplies (in particular medicines) was efficient in value-for-money terms. An exception was urea purchases, which could have been procured at a lower cost in Latin America than in the Netherlands. Fertilizers were distributed efficiently, partly as a result of the guidance provided by the Dutch development cooperation office in La Paz. Due to a lack of appraisal studies, both the supply and the distribution of electric light bulbs and of water pumps were inefficient.

Debt relief activities were efficient in terms of both timing and the use of financial resources. The use of funds for buy-back operations was particularly efficient. Dutch-funded relief of commercial debt served as an example to be followed by other donors.

The efficiency of the FSE was high. It maintained extremely low operating costs and applied quick disbursement procedures, although not all projects were well planned and monitored. The FIS had better planning procedures and was more efficient in resource allocation, but this was accompanied by higher operating and administrative costs and slower procedures. The World Bank was inefficient in administering Dutch funds. The Embassy was not kept informed and expenditure reports were submitted too late or not at all, and often contained erroneous information. The Bank’s supervision of the approval of sub-projects was slow, troublesome and complicated.

Sustainability

Sustainability was high in the case of medical supplies, thanks to the introduction of a cost recovery and essential drug supply system. For fertilizer aid the sustainability

aspect was never taken into consideration. *Campesinos* who produced for the market obtained sufficient gross margin to continue procuring fertilizers. This was not the case for those who produced predominantly for family consumption. The national fertilizer supply system became monopolized as the donations pushed other suppliers out of the market.

Despite the fact that Bolivia pursued a policy of reducing its current foreign debt obligations and had improved conditions for obtaining new credits in the course of time, it did not formulate its own indebtedness indicators. An IMF 1996 debt sustainability analysis indicated that although Bolivia did have a better debt profile than in 1985, it still was classified as one of the twenty Highly Indebted Poor Countries, for which substantial support for multilateral and bilateral debt servicing was considered essential in order to achieve a sustainable debt profile. This international support was given in 1997. The Bolivian economy is still vulnerable because of the slow progress of reforms and the delay in the anticipated effects. Insufficient internal savings and private investment, reliance on public sector investments and exports based on non-renewable resources may hamper future servicing capacity.

In the case of the social funds, the consolidation and sustainability of project results initially received little attention from either the FSE or the FIS. However, most infrastructure was well used and in a regular state of maintenance, be it with deficiencies in facilities and equipment. Until 1995 covering the recurrent costs of the newly-built infrastructure with public budget resources proved to be difficult, but future maintenance seems to be guaranteed by the decentralization laws.

6 Project aid to the agricultural sector

Forty percent of Bolivia's population live from agricultural production. The large-scale modern subsector is found in the Lowlands and produces industrial and export crops (soya beans, rice). The traditional smallholder subsector is mainly found in the Andes belt, although most of the Highlands is only marginally suitable for rainfed crop production. In the Valleys plots are smaller but yields higher, thanks to better climatic and soil conditions and access to surface water in some areas. The long-term prospects of the traditional smallholder subsector are bleak due to constraints on productivity imposed by climate and soils; the limited access to cultivable land and water; low (public) investment in agricultural research, extension and rural credit; unfavourable marketing conditions and the specific demographic composition of the rural population resulting from massive migration flows.

During the 1960s and 1970s, the Bolivian government financed large-scale investments in both the modern and traditional subsectors through foreign loans. Until 1985 the country's policy was characterized by public sector intervention in nearly all aspects of agricultural production and marketing, assigning key roles to public sector extension and credit services. Due to the geographical features of the country and the related communication problems, sizeable areas and numerous farmers remained deprived of these services. The structural adjustment programme overhauled this policy. Since then, all subsequent Bolivian governments have devoted only modest attention to small-scale agriculture in their national development plans. In practice, the development of the agricultural sector was left to market forces. The stabilization measures (trade liberalization) opened new opportunities from which commercial farmers benefited, but austerity in public spending on agricultural support services had a negative effect on the traditional subsector.

After the natural disasters of 1983, donors started with emergency and food aid programmes, followed by projects to rehabilitate the traditional agricultural sector. Although international aid to rural areas increased, various multilateral and bilateral donors remained reluctant to provide support to the traditional subsector as a result of a World Bank analysis that deemed investments in agriculture feasible in the modern subsector only. Grants to the agricultural sector averaged US\$ 60 million per year, representing 9.5% of all aid to Bolivia. The Netherlands is the sector's main external financier, followed by the European Union, Germany and Japan.

The Netherlands policy and programme

The Netherlands' support to the agricultural sector dates back to the 1970s when small projects were financed by the Dutch co-financing agencies. The first government-to-government aid (1983) consisted of commodity aid to the sector. When resources became available from the Andes Programme in 1987, the Netherlands relied to a large extent on the co-financing agencies and international organizations such as the Food and Agriculture Organization (FAO) to implement project aid.

Policy plans (1986, 1990, 1992) focused on poverty alleviation through the balanced and sustainable development of rural areas, contributing to food security at both national and farm level. Policies were actually formulated on the basis of existing projects, dealing with various components of the agricultural production cycle: research, input supply, extension, credit, production, post-harvest activities and marketing. These components were not dealt with in an integrated manner. Total Dutch aid to the agricultural sector increased substantially after 1990, as shown in table 7.

Table 7 Dutch aid to the agricultural sector, 1969–95 (in Dfl. thousands)

Category	Number of projects	Disbursements 1969–1990	Disbursements 1990–95	Total disbursements	% of total disbursements
Single commodity projects	35	8,017.8	28,029.9	36,047.7	14.5
Research and innovation projects	14	9,048.8	36,265.6	45,314.4	18.2
Integrated rural development projects	60	15,706.5	53,195.4	68,901.9	27.7
Assignments (personnel)	57	3,927.4	7,255.7	11,183.1	4.5
Commodity aid	5	42,200.0	18,200.0	60,400.0	24.2
Other projects	56	5,376.6	21,996.7	27,373.3	10.9
Total	227	84,277.1	164,943.3	249,220.4	100.0

Note: Excludes Small Embassy Projects.

Single commodity projects focused on the production of wheat, potatoes, *tarhui* (*lupinus mutabilis*), vegetables and coffee. A Project for the Strengthening of the System of Seed Potato Multiplication and Distribution (PROSEMPA) involved two-thirds of the expenditures in this category. The major research and innovation projects focused on soil fertility, export of agricultural commodities (including the support to the Bolivian Export Foundation), rhizobium inoculants and post harvest treatment. Most of the integrated rural development projects were initially financed by the co-financing agencies and later obtained resources from the Andes Programme budget. In general, these projects were relatively small-scale. Personnel inputs comprised mainly SNV development associates. Commodity aid comprised fertilizer, insecticides and agricultural equipment. The category 'other projects' included relatively small-scale activities, most of them dealing with training, institutional strengthening and the provision of infrastructure.

Thirty-seven projects from the Andes Programme budget were financed with total disbursements of Dfl. 148.7 million (60% of all disbursements to the agricultural sector). The policy was to focus project aid on four Andes departments, although in practice 62.5% of the funds were spent on activities carried out at the national level, or in more than one department. Until 1996, department eligibility depended on poverty criteria, but the precise location of projects within these departments was based on considerations of productive potential. The evaluation results are based on a selective sample of ten projects financed by the Andes Programme budget and located in the Cochabamba and Potosí departments. These ten projects involved disbursements of Dfl. 40.1 million, as shown in table 8.

Table 8 Agricultural projects in sample (number and disbursement)

Category	No. projects	Name project	Disbursements (Dfl. thousands)
Single commodity production	3	Seed potato (PROSEMPA), <i>tarhui</i> (CASDEC), wheat (CESAT)	30,850.7
Research and innovation	2	Inoculants (Rhizobiology), Agricultural Export opportunities (cochineal study and pilot)	3,743.4
Integrated rural development	3	Mink'a, INDICEP (and PROCADE-INDICEP)	4,173.3
Other projects	2	Support to grassroots organizations (CORACA); sustainable agriculture (CASDEC Natural Resources)	1,364.5
Total	10		40,131.9

Results

Single commodity production

The PROSEMPA seed potato project—the most important one in terms of disbursements—directly benefited some 5,000 families producing seed potatoes and 15,000 families producing consumption potatoes. Quality-certification and systems of production, multiplication and distribution of seed potatoes improved substantially. The smaller *tarhui* project did not achieve an increase in the acreage cultivated or yields of the crop. Processing and marketing were small-scale and economic profitability was low. Local food habits did not change. In the wheat project, the number of producers, acreage cultivated and seed produced remained almost constant over time. However, seed quality was improved and this contributed to an increase in the production of consumer wheat. The effects on the seed producers' economic conditions were minimal; the producers' association was modestly strengthened.

Research and innovation

The project for optimization of biological nitrogen fixation for agriculture promoted the use of inoculants which speed up the biological fixation of atmospheric nitrogen in leguminous species. Almost 67,000 doses (1995) of the N₂ inoculant were produced annually, sufficient for about half the national area cultivated with soya. A commercial production plant for inoculants was established. The feasibility study and small pilot project on the production of cochineal (a natural pigment) showed the export opportunities of this additional cash earner.

Integrated rural development

The Mink'a project strengthened local organizations and promoted environmentally sustainable cropping practices in about 100 communities, involving 9,000 farm families. The active participation of farm families enabled substantial achievements in agricultural production (potato, wheat, barley, beans) and to undertake erosion control programmes. This project included a gender programme resulting in the economic empowerment of women. Concerning a smaller project aimed at agricultural production and employment generation in non-farm activities, no physical results could be traced in the field. Another project mainly aiming at potato production as a cash crop had negligible results.

Other projects

A project aimed at strengthening the economic wing of the Syndicalist Confederation of Peasant Workers had been started recently, but so far achievements have been negatively affected by a weak managerial capacity. A sustainable agriculture project achieved its goals, but had a rather small geographical coverage, comprising only some 200–300 farm families.

Evaluation

The policy relevance, effectiveness, efficiency and sustainability of the individual projects are assessed within the framework of Dutch development policy, which in Bolivia aimed at both poverty alleviation and economic self-reliance through investments in the traditional subsector. Pursuing this policy is an uphill battle, since the agricultural potential of the Highlands is restricted to narrow valleys with specific microclimatic conditions. Although some production niches do exist (i.e. Andean crops), the production of crops under high risk conditions generally does not provide a sound basis for combating poverty effectively. Moreover, agricultural production is losing importance in the family's survival strategies. The temporary and permanent migration of family members has broadened the base of family income generation, and a family's investment priorities no longer rest on agriculture alone. The Dutch financed projects paid little attention to these factors. Solving major constraints such as the restrictions on access to land and water were considered to be outside the scope and mandate of the projects.

Relevance

Project objectives were relevant in the light of existing problems in agriculture, but hardly took into account the major constraints affecting the sector. Given the broad and general terms in which policies were formulated in Bolivian national plans, projects

complied with Bolivian policies. All projects were also relevant to the Dutch development cooperation policies, although not to the same extent for each of its components. Projects were more relevant to poverty alleviation than to the environmental or gender approach. Only the research and innovation projects were relevant to the objective of economic self-reliance.

Effectiveness

The effectiveness of the single commodity projects was low in the case of the smaller projects, and satisfactory in the case of the larger seed potato project. This latter had a wide coverage and played a catalytic role in the formulation of national and regional strategies on seed production, regulation and certification. Economic profitability to the smallholder producers in the Highlands was either low (*tarhui*, wheat) or below expectation (seed potatoes), while part of the benefits were reaped by large-scale producers in the Lowlands. The research and innovation projects were effective. The cochineal project provided a feasible export option and the rhizobiology project produced sufficient inoculants to serve about half the total national area cultivated with soya. The use of inoculants not only implied a 10% increase in yields and incomes, but also a contribution to the balance of payments (US\$ 3.7 million per year). The effectiveness of the integrated rural development project and other projects varied widely. The Mink'a project was effective in increasing agricultural production by approximately 100%, and the incomes of the target population rose by an average of 50%. The project could not stem rural–urban migration, since this objective exceeded the project's capacity. Effects of the other projects could either not be found or were modest.

Projects showed rather modest effects in terms of poverty alleviation, except the Mink'a project and the seed potato project. The seed potato project contributed to national food security, while other projects helped improve food security at farm level. Projects were not very effective when it came to integrating environmental aspects into production techniques, neither were they effective in translating the gender approach into specific activities. Except Mink'a, none of the projects adjusted their strategies according to prevailing migration flows. Most projects were effective in the transfer of knowledge and production techniques.

Efficiency

Most of the earlier projects were single purpose and covered only a specific geographic area. After 1987, projects expanded in magnitude, geographical coverage and comprised almost all aspects of the agricultural production cycle. However, projects were not integrated or mutually reinforcing. While some projects focused on modernization (high input

use), others concentrated on low external input agriculture. In some areas these different extension messages were transmitted to the same farmer simultaneously.

The process of appraisal and approval of projects was often prolonged over several years. Except the research projects, all projects planned their activities according to the budget available (for each stage), while projects were concluded when financial resources ran out and not necessarily when objectives or goals were achieved. Only one project (Mink'a) carried out a cost/benefit analysis of its own performance and proved to be efficient in both resource allocation and recommended farming practices. Smaller projects lacked the professional expertise required for the implementation of activities focusing on specific themes such as Women and Development and environment.

Sustainability

During both the appraisal and implementation stages the projects paid insufficient attention to the consolidation, transfer and sustainability of the activities embarked upon. Except the seed potato project, none of the projects incorporated a consolidation period for getting farmers used to a 'post-project' situation. Insufficient attention was paid to the process of transferring responsibilities, skills and management capacities to grassroots organizations and/or beneficiaries. Projects provided support services for production. The public sector is reluctant to provide these services, which is why they should become either self-supporting for example by cost recovery from the users. Only the inoculant project established a self-supporting production plant, while the potato project, by establishing national and regional organizations to consolidate the production and certification of seed potatoes, developed a strategy in that sense. The public sector decentralization process provided a new potential for consolidating project results.

7 Activities of the co-financing agencies

The Co-financing Programme provides funding to four co-financing organizations (CFAs) in the Netherlands (Bilance, HIVOS, ICCO and NOVIB) to execute development projects and programmes through counterpart organizations in developing countries. The CFAs also received additional funds from the DGIS regional, sectoral and thematic budgets. Including additional funding, Dfl. 204 million was spent between 1969 and 1995, representing 27% of the total Dutch development assistance to Bolivia. The evaluation was based on a selective sample of 34 projects out of a total of over four hundred projects carried out by 33 counterparts out of a total of over two hundred, embracing all four CFAs and covering about one-quarter of all disbursements. The sample covered the various socio-political, economic and cultural activities as well as the different ethnic groups attended by CFA programmes. The study focused on the period 1985–95.

The NGO sector in Bolivia

The first counterparts had their origin in the Catholic Church. Some of them developed into groups opposing the dictatorships of the 1970s. They centred their work on human rights, popular education and organization. After 1982 the NGOs once again started building and supporting civil organizations focused on structural poverty alleviation. New organizations were established to support the indigenous groups in Eastern Bolivia and to deal with Women and Development issues. During the late eighties, a shift towards productive activities took place. The NGOs took a distinct, often critical position with regard to political and social developments in society at large, and with regard to the governments in power in particular. While continuously critical, NGOs expanded their capacity to come up with innovative proposals and over the years a new type of relationship with the government has developed.

In 1996, 500 NGOs were officially registered in the NGO Directory of the government. There are many differences between individual NGOs regarding history, objectives, activities, geographical coverage, budget and level of professionalism. The NGOs depend almost entirely on external financial assistance, which varies between an estimated US\$ 200 million and 300 million per year for all Bolivian NGOs combined. The NGOs have established a number of networks to exchange information and to coordinate activities among themselves.

The co-financing agencies: their policies and programmes in Bolivia

The CFAs should contribute to the main objective of Dutch development cooperation: structural poverty alleviation. The specific objectives of the Co-financing Programme are: to realize and strengthen the universally acknowledged human rights of the target group (civil, political, economic, social and cultural); to promote the target group's active participation in and control over society's political, economic, social and cultural development, and to help the target group become self-supporting. The programme pays special attention to women's position in society as well as to the environment. To represent and coordinate their activities vis-à-vis the Netherlands Ministry, the CFAs meet in the GOM (Co-financing Consultative Body). The four agencies financed four joint programmes of a strategic nature in Bolivia, for a total amount of Dfl. 20 million between the mid-1980s and 1995.

Until 1983, CFA activities followed a more or less ad hoc course. Since then, longer-term policies with a broader vision were conceived. The central strategy was integrated rural development and the socio-economic strengthening of indigenous and peasant com-

munities. Overall policies and planning and evaluation guidelines acquired increasing importance, stressing gender aspects and sustainability.

Bilance initially focused on rural education and training, later broadened to include agricultural and rural development, peasant organization and rural credit programmes. The Interchurch Organization for Development Cooperation (ICCO) focused on the future of the indigenous Andean population, but also paid attention to human rights, education, Women and Development and credit. Since the 1970s, the Netherlands Organization for International Development (NOVIB) has supported rural (regional) development programmes. It has also funded an anti-migration programme, women's centres and small enterprises in the cities. The Humanist Institute for Cooperation with Developing Countries (HIVOS) first became active in the Andes belt with productive projects, but later concentrated on indigenous groups in the Lowlands and their human rights and on Women and Development.

Table 9 presents the amount of aid per CFA and for all of the CFAs combined from 1970 to 1995 in Bolivia. Apart from Bilance, whose activities in Bolivia expanded steadily, the CFAs have doubled or even tripled their financial support in the last five years. NOVIB has been the largest financier with nearly 37% of total disbursement, followed by ICCO (30%), Bilance (25%) and HIVOS (8%). The average project was modest in financial terms. Throughout the years, Bilance has had more than one hundred counterparts, ICCO about 70, NOVIB 35, while HIVOS funded some 20 organizations. More than 95% of the activities were carried out by Bolivian non-governmental organizations (NGOs).

Table 9 Distribution of disbursements by period and CFA (in Dfl. thousands)

Period	Bilance	%	HIVOS	%	ICCO	%	NOVIB	%	Total	%
1970-74	581	1.1			48	0.1	202	0.3	831	0.4
1975-79	6,102	11.8	271	1.7	220	0.4	3,800	5.0	10,393	5.1
1980-84	11,407	22.1	2,355	14.4	4,889	8.0	7,890	10.6	26,541	13.0
1985-89	14,927	28.9	4,666	28.5	13,662	22.3	19,933	26.7	53,188	26.1
1990-95	18,629	36.1	9,064	55.4	42,455	69.2	42,929	57.4	113,077	55.4
Total	51,646	25.3	16,356	8.0	61,274	30.0	74,754	36.7	204,030	100.0

Note: In 1996 CFAs disbursed Dfl. 17.0 million from their respective budget lines and implemented projects amounting to Dfl. 5.1 million from other budget lines (additionally financed projects).

The counterpart organizations in the sample

The characteristics of the counterpart organizations determined to a large extent the results of the projects. A first group of counterpart organizations focused on agriculture, integrated rural development, income and employment generation, including the provision of

credit. A second category focused on specific target groups (women, indigenous population, miners), while a third group specialized on such issues as human rights, networking, research and advice. Many organizations combined activities in different fields. About a fifth of the organizations in the sample worked mainly or exclusively with women. A third of the counterparts included women-focused components in their programmes such as special training, credit programmes, home gardening, daycare centres, etc., while the other organizations focused on the entire population without gender differentiation.

The counterpart organizations varied from small and even stagnating institutions to ones that were important, professional and well-resourced. The largest had annual budgets of over US\$ 3 million, while the smallest operated with less than US\$ 10,000 annually. All were dependent on several external donors. Administration was competent in a number of counterpart organizations and satisfactory in most others. There was a general trend towards improvement. The introduction of planning, monitoring and evaluation systems influenced operations positively. Simultaneously, there was a trend towards coordination, networking and better studies.

Some counterpart organizations exercised influence on government policies. At the national level they made contributions to the Laws on Popular Participation and Administrative Decentralization. Attention to the subject of human rights was promoted in the Bolivian Parliament. Much of the legislation and policies related to women can be attributed to the various NGOs in this field. This also applied to policies related to ethnic minorities and their territories. In the new constitution Bolivia is described as a multi-lingual and multicultural society. Many counterparts in the sample participated in local development committees and introduced new knowledge and technologies, systems and working practices among their target groups. An important contributing factor to advocacy and policy influence was the participation of all counterparts in larger networks.

Some larger organizations had entered into collaborative arrangements with ministries or municipalities to provide training and technical expertise in local level management, participatory planning and evaluation. On the other hand, a fair number of the counterparts had reservations if not outright criticism of the government's economic policies, which had affected their target groups negatively. In their view they had to fill the gap left by a retreating state. In general there is now a closer cooperation between the public sector and the NGOs than in the past.

The contacts of the counterparts with the CFAs were mostly longstanding. There were mechanisms for coordination between them on policies and project implementation. Sometimes the counterpart organizations regarded CFAs as narrow-visioned, failing to fully understand Bolivian reality and rather rigidly pursuing their own priorities and

interests. But in general, appreciation existed for the intensive and rather open relationship. Some counterparts said that they had difficulty with the numerous missions and monitoring instruments; external evaluations also created tensions in quite a number of instances.

The projects

A first broad category in the sample were projects with a sectoral character. Ten projects focused on agricultural development and related activities, aiming at objectives such as the increase of agricultural income through new cultivation practices, alternative crops, diversification or improved marketing. Projects established nurseries or provided improved seeds, and strengthened farmers' organizations through training and technical assistance. Seven projects supported the establishment of urban enterprises to promote employment and income generation. They provided small-scale credit to producers, often combined with appraisal studies, technical advice and training. Five projects offered education or training. Some projects considered training and education as a goal in itself (literacy, numeracy), while others perceived it as instrumental in reaching other goals. The second category of projects focused on specific target groups. Five projects focused on institutional support, organizational strengthening and training for women. Two projects aimed at sustainable forest management and the organizational strengthening of ethnic minorities in eastern Bolivia. The third category included projects with a thematic specialization. Two projects dealt with human rights issues. Two others concerned research activities. One project provided emergency aid to the mining population and three projects provided advisory or supporting activities to improve the performance of the implementing agencies.

Results

The agricultural development projects showed growing output over time. Infrastructure was provided and new micro-regional planning techniques were introduced with beneficiary participation. The longer term effects of facilitating programmes such as training, information campaigns and consciousness-raising as well as activities of a more political nature were in general satisfactory. In contrast, the long-term effects of projects involving direct production were mixed. Marketing remained a bottleneck in most projects, while attempts to identify 'alternative' or niche products have generally been disappointing. Programmes to contain migration have failed, since this goal was not realistic in the first place. In the field of microenterprises, the credit portfolios expanded while obtaining lower default rates.

The results of the projects focusing on women varied from satisfactory to good. Productive projects only provided a modest income to a few beneficiaries. Forestry and organizational support directed at the indigenous population in the Lowlands was successful. Seminars and congresses put indigenous themes on the national agenda and the indigenous movement was strengthened.

Human rights lobbying was carried out and support to victims delivered through regional offices. The support to human rights organizations was discontinued by the CFAs soon after the re-establishment of the democracy, although later on human rights abuses were once again being reported. The research activities were of a high quality, though not always easily accessible to a broader audience. The advisory and supporting organizations generally achieved the results foreseen.

The continuity, consolidation, replication and transfer of activities received increasing attention. For example, NGOs specialized in credit took over the credit initiatives of individual projects in order to guarantee continuity, professionalism and financial sustainability. In a number of regions producer groups were trained to take over the responsibility of projects once the financing discontinued. The wood-certification project, credit schemes and the gender training project served as models for other donors and within Bolivia. The significance of some other projects lay in the critical appraisal of government policies and creating awareness of their effects on vulnerable groups in society. Project policy influence was frequently facilitated by the participation of the executing agents in coordinating committees and networks. Other forms of influence were the dissemination of new ideas and initiatives through the media.

Evaluation

Relevance

The projects evaluated were all addressing pertinent problems in Bolivian society. Some projects focused directly on the poor and vulnerable groups and their problems, while others opted for a more indirect institutional approach. The focus on human rights was justified by continuing violations primarily related to the coca eradication campaigns. Advocacy and empowerment of the indigenous population, migrants, ex-miners and women were demonstrably necessary in view of the disadvantageous situation of these groups and the obvious need to strengthen civil society, multiformity and the democratic order in Bolivia. The same applied to support of trade unions and other interest groups. A gender-oriented approach in government policy and in the implementation of projects was necessary in view of the backward position of women and the role they played in

the rural and urban economy. Agriculture and rural development were targeted as a result of the serious natural catastrophes that hit Bolivia during the early 1980s and because a large part of the population still lived in rural areas. Training, education, communication and extension were needed in view of the alarmingly low levels of education and literacy, especially among women, and the absence of adequate social services in many parts of the country. A number of partner organizations (above all networks) focused on the improved functioning of their members through training, better coordination and management. NGO activities providing credit were necessary in view of the nearly total lack of institutional alternatives. Employment and income generation were needed due to low income and high unemployment figures, in especially in the Andean areas. Studies and research were relevant in view of the dearth of data on which to base interventions.

The activities of the projects related not only to the problems of Bolivian society and of the target groups, but also to the broad development policies of the Netherlands and of the individual CFAs. Moreover, studies and trade union activities were relevant because they exposed the negative effects of structural adjustment on vulnerable groups in society or otherwise took sides in debates in Bolivian society at a time when it was necessary to strengthen democracy by having a vocal opposition and advocacy. The counterparts and their programmes took up new themes and problems emerging in Bolivian society or the international development debate, such as democratization, the mining sector, women and development, ethnicity, environment, enterprise development etc.

Effectiveness

The projects generally yielded the expected immediate objectives. Longer-term objectives were more difficult to reach, however, especially in the field of productive activities, partly because the root causes of inequality and poverty in Bolivia were difficult to influence under any circumstances. The effects on the living conditions of the poorest strata in society were limited. Nevertheless, many of the results can still be considered steps in the right direction because they were linked to human and institutional development, advocacy and political innovations and new technical approaches. Women and Development and gender approaches were also introduced with some success. The initiatives in organizational and institutional strengthening were generally positive. Credit schemes were set up according to interest rates at real terms that enabled cost recovery and showed low levels of default. Counterpart organizations and their projects influenced the formulation of new policies and legislation in Bolivia and also introduced new approaches and methodologies in development work.

Within the Bolivian context a number of processes and factors were at work adversely impinging on project effectiveness. Many of these had to do with circumstances external to

the counterpart organizations, while others concerned internal organizational conditions and broader institutional questions that were not amenable to easy and quick solutions. For example, training, educational and human capacity building programmes were affected by high out-migration so that their communities were unable to benefit from those programmes, at least temporarily. In the Lowlands, programmes among ethnic minority groups such as the Ayoreos were complicated by the relatively unstable nature of those communities, i.e. the lack of stable leadership structures and the overall low levels of organization. Among Highland Indians internal divisions and conflicts adversely affected some programmes. The difficulties facing commercial crop production (unfavourable climatic conditions, low prices, unreliable marketing, import regimes, restructuring of government services) made it difficult to implement agricultural programmes.

Efficiency

Efficiency was not determined on the basis of a traditional cost/benefit analysis, as in most cases results could not be quantified in monetary terms. Attention was paid to the operational management of the counterpart organization executing the projects (procedures, personnel issues and timing). The functioning of most counterpart organizations varied from satisfactory to good. One reason for this fairly satisfactory state of affairs was undoubtedly the selection procedures for counterparts applied by the CFAs and their continuing attempts to improve their functioning through all types of organizational and institutional advice, training and support. Levels of professionalization and competence increased, while management and administration improved over the years. However, not all organizations were able to benefit from this, or they lacked the funds to recruit more professional staff. The fact that the CFAs worked with a large number of counterpart organizations had no negative consequences for efficiency in the field.

Some programmes were expensive in relation to the benefits, due to the small-scale nature of the efforts, the Bolivian geography and the need to adjust activities to specific local circumstances. The planning and appraisal of projects have been developed into an intensive and fairly thorough process, embedded in long-standing forms of consultation and networking. The aspects of management and administration and the use of planning, monitoring and evaluation systems showed considerable improvement over time. In progress reporting, monitoring and evaluation, increasing use was made of standardized procedures.

Sustainability

To nearly all counterparts the Dutch funded projects were significant or even essential. The projects have helped a considerable number of counterparts to expand, professionalize,

become known internationally, and in some cases to continue their work. The other side of this was that all activities were more or less completely dependent on outside funding. In rural areas, charging full cost of services provided remained an unsettled problem in view of low incomes and limited use of money. Recent initiatives in the provision of credit have succeeded in becoming financially sustainable due to realistic interest rates and stricter control mechanisms, resulting in high rates of recovery. There were also increasing examples of transfer of activities to trained special interest groups, or of general attempts to raise beneficiary contributions, however modest. As far as participation of the target group is concerned, there was no evidence that they have become able to operate independent of the counterpart organizations. In fact, they hardly participated at all in the organizations' decision-making processes. The continuity of projects among the Lowland Indians was problematic because the leadership lacked continuity and there was little sense of ownership.

8 The Netherlands Development Organization SNV

The evaluation focused on the personnel inputs of SNV (development associates in host organizations), on small SNV projects (KSPs) and projects executed by or jointly with a partner organization. The sample comprised 45 personnel input contracts (29% of total) by 27 development associates (a development associate may carry out more than one contract); three KSPs (27% of total) and five additionally financed projects (36% of total). This represented one fifth of all disbursements. Attention was also paid to the characteristics of the host and partner organizations, as these helped to explain the results of the personnel inputs and projects. The sample comprised 19 different host and partner organizations (39% of the total).

SNV policies and programme in Bolivia

In 1969, the SNV became active in Bolivia as one of the first Dutch development organizations. It initially supported educational institutions liaised with the Catholic Church. During the agitated political situation of the second half of the 1970s, nearly all SNV associates were withdrawn and the national SNV headquarters in La Paz were closed. The SNV office was re-opened in 1984 and the scope of activities was broadened within the overall objective of alleviating poverty. Despite a gradual policy change towards the organizational strengthening of grassroots organizations, NGOs continued to be the principal host organizations. The contracting of local Bolivian associates began in 1986. In the late 1980s, the emphasis in the programme shifted from education to rural development and the Women and Development theme. The process approach would be SNV's main project

implementation procedure. During the 1990s the points of attention were: the environment; ethnicity in the context of environmental and territorial issues; the international dimension (wood certification and fair trade); urban issues and problems related to the peasants in the Inter-Andean valleys.

Of the total of 49 organizations that received SNV personnel inputs or project financing in Bolivia, three were networks or umbrella organizations, twenty-seven NGOs, thirteen grassroots organizations, three church organizations and one was a government agency (two could not be classified). Fourteen have received one or more associates, as well as project financing. Between 1969 and 1995, 105 SNV development associates filled 155 postings with host organizations and 33 were engaged at SNV's headquarters in Bolivia to carry out studies, to formulate proposals or to administer activities. The disbursements for the personnel inputs amounted to about Dfl. 32.5 million. The personnel inputs showed a broad regional scope. Of the development associates, 21% were women and 79% men. Development associates usually had the status of advisors or members of a team. A quarter were coordinators or heads of a team. Over half of them carried out tasks on top of those defined in their job description, mainly in management and administration. In addition, the SNV has funded eleven small SNV projects (KSPs) and administered fourteen additionally financed projects, with a broad regional and sectoral distribution. The disbursements for these projects amounted to about Dfl. 7.5 million.

Results

The need for *personnel inputs* was in practice often determined by the SNV, which also controlled the formulation of the job description and the selection of the associates. Half of the host organizations preferred an expatriate associate, while the other half were of the opinion that Bolivians could perform the required functions equally well.

The results in terms of the support provided to the indigenous population of the Lowlands lay in the formulation of more coherent policies, the formulation of forestry management plans and institutional improvements and networking. In the field of agricultural development and production, tangible results were observed in irrigation, livestock and forestry through a variety of training, advisory and institutional arrangements. Marketing proved to be more difficult. The support to the training institutes resulted in the planned number of graduates, most of whom found employment. The documentation centres being supported were able to show outputs in terms of bulletins, journals and other publications. The contribution to Women and Development by the associates was modest at best. Influence on policies was limited, and two-thirds of the personnel inputs had no effect at all on the particular target groups in terms of this theme. The support to

network organizations resulted in trained personnel, improved technical equipment and maintenance and organizational, and institutional improvements.

Project execution and cooperation with SNV implied a learning process on behalf of the counterparts, the transfer of know-how and the adoption of new methodologies and procedures. In the projects in support of the indigenous population, institutional strengthening was achieved in terms of better planning, decision-making capacities and coordination. Territorial claims of the indigenous population and sustainable management of forest resources were put on the national agenda. The projects also succeeded in enhancing community participation and introducing internationally acknowledged procedures for tropical wood certification. One project to reinforce the capacity of the Ayoreo population failed due to bad management, internal conflicts and political interference. Nevertheless, there were positive indirect effects, such as an improved understanding of constraints, the formulation of new policies and the establishment of contacts. The projects on strengthening the productive capacities of grassroots organizations were still in their first implementation stages and no conclusive statements on results were possible. Yet management problems and lack of operational capacity were points of concern with regard to further performance. There was a high dependence on SNV personnel. An agricultural project especially for women established demonstration plots and extended modern cultivation practices. Another project trained community workers and implemented courses and workshops according to plan. Though SNV made an effort to introduce a gender-oriented approach into the projects, few tangible results could be observed in practice. Project results were influenced by the scarcity of financial and skilled human resources among the partner organizations. Almost half of them lacked audits and had no monitoring systems.

Evaluation

The SNV's many general policies were difficult to apply in the case of the individual associates and projects in Bolivia. The SNV as an organization did not provide the corresponding operational and practical instruments and guidance. This was an omission, considering the trend towards more professionalization. The policies in the area of Women and Development have been pursued only partially in Bolivia. There was a lack of strategy and monitoring instruments to implement these policies. Only a few projects (the most recent) have a W&D component and personnel with gender expertise. The process approach was not adopted in the activities carried out in Bolivia. There was no document explaining how to deal with this concept in practice.

During recent years, SNV-Bolivia has paid close attention to the development of new policies in the area of indigenous peoples, the environment, the international dimension,

urban problems and the specific problems of the inter-Andean valleys. The focus on these issues is very appropriate, as they are crucial in Bolivia's present circumstances.

Relevance

In general terms, cooperation through *personnel inputs* was relevant, especially in technical areas for which the necessary expertise could not be found in Bolivia itself. The host organizations had objectives and implemented activities that were relevant to poverty-related problems of Bolivia. The participation of host organizations in the selection of an associate and the definition of his or her functions was quite limited. It was evident that the host organizations accepted an associate due to the fact that his or her services were free of charge and could be accompanied by other benefits as well. Yet the personnel inputs were relevant to them as they directly supported the implementation of their policies and related activities. The relevance *vis-à-vis* SNV policies was determined by the choice of the host and partner organizations. In spite of SNV-Bolivia's policy to increasingly support grassroots organizations, most recipient organizations continue to be NGOs. The choice of grassroots organizations per se was relevant in view of the overall policy to work directly in the benefit of the target group, being the poor strata in society. Grassroots organizations, however, showed such organizational and methodological weaknesses that their suitability as recipient organizations was at stake. SNV-Bolivia's preference to work with grassroots organizations was not based on a thorough institutional analysis. This was explained by the difficulty in identifying suitable partners at the grassroots level and in particular among the indigenous population in the Lowlands. The cooperation with strategically placed institutions supporting popular interests in matters of legislation, public opinion and politics was discontinued too early in an incipient process of democratization. Furthermore, the personnel inputs did not clearly reflect SNV policy priorities or the regional focus. The gender issue was also not dealt with appropriately.

The *projects*—as distinct from personnel inputs—were relevant in terms of Bolivia's problems and the policies of both the partner organizations and SNV. The projects were less relevant in terms of the latter's gender policy.

Effectiveness

Using changes in institutional capacities as an indicator, over 60% of the *personnel inputs* produced such results as improved credibility for the organization within its target group, a more forceful presence for the organization, or planning and monitoring being carried out or further improved. In the remaining one-third of the organizations the postings had no institutional effects. Since the main objective of the personnel inputs was the strengthening of the host organization in terms of better planning, organization,

procedures, methodologies and human resource development, the effectiveness at the institutional level was evidently higher than at the level of the target groups. Half of the personnel inputs had no effects at the level of the target groups. Eighteen out of the 27 SNV associates showed no results at all with respect to improving women's economic situation, while only six associates were able to influence the Women and Development policies of their host organization. In general the effectiveness of the personnel inputs was conditioned by the effectiveness of the host organization itself, in particular at the level of the target group. Among the factors beyond the control of the development associate were the lack of cohesiveness of some grassroots organizations of indigenous peoples in the Lowlands, the duration of the postings and the concentration of personnel inputs within a single host organization. Repeated personnel inputs over a long period of time, such as with the Technological Institute and the Training Institute for Women in the Yungas in the 1980s, contributed to their effectiveness. Since the 1990s SNV-Bolivia has discontinued this practice, as it was considered to be overly dependent on outside resources.

Except for one, all *projects* contributed to the strengthening of the partner organization. A significant learning process took place through the experience of project implementation. The effectiveness of the projects varied. Of the projects aimed at supporting indigenous communities, two projects were effective and exerted a positive influence on the environmental policy at the national level. One project failed, but entailed a significant learning process. Serious doubts existed regarding the potential effectiveness of the projects aimed at agricultural production and marketing, in view of weak organization and management, lack of operational capacity and low member participation in the partner organizations. Both projects supporting W&D were effective. Most other projects did not include a W&D component, nor did they specify the target groups in gender terms. No significant improvement was found in women's basic living conditions or economic independence.

Various host and partner organizations exerted influence on national Bolivian institutions and legislation and contributed to national policy-making (e.g. people's participation, sustainable environmental management, ethnical and cultural pluralism, including such aspects as bilingual education and the defence of indigenous territories). One of the partner organizations participated in a group of NGOs that succeeded in putting the subject of gender on the political agenda.

Efficiency

Eighty percent of the *associates* reported to have worked in an efficient manner, which was corroborated by the host organization. The good logistic support (transport, equipment) and facilities provided by the SNV to the development associates meant that three-fourths of the development associates faced no particular material constraints. The efficiency of

the others was usually impeded by the lack of resources of their host organization. Other factors included: a lack of definition of tasks and mandates within the host organization, weak cohesion and participation in the host organization, and lack of feedback by SNV-Bolivia. Cumbersome paperwork, lack of adequate planning and politization in the case of grassroots organizations also negatively influenced their efficiency.

Over half of SNV associates considered their preparation useful for their tasks in Bolivia, while a third of the host organizations felt that the language training was deficient. The time between selection and the actual posting was too long (an average of eight months). Development associates were supposed to have a counterpart within the host organization, but this was the case in only half the postings. With few exceptions the associates had job descriptions, but in practice in over half the cases the responsibilities exceeded the tasks assigned. Rather than performing technical tasks, many associates got engaged in coordinating and managerial responsibilities. The associates received little feedback on their quarterly reports to the SNV, although this improved with the creation of the regional offices. The professional backstopping to associates by the national headquarters or from the Netherlands was insufficient.

In most institutional *projects* efficiency could not be determined as results could not be quantified. In addition, in the case of the larger productive projects no cost/benefit analysis was carried out at the appraisal stage and no indicators for progress measurement were identified. Half of the partner organizations did not have anyone in charge of planning, monitoring or evaluation of their activities. Project funding was not always related to the partner organization's own financial capacity. In particular the additionally financed projects under the Programme for Strengthening Grassroots Organizations exceeded the organizations' capacity to implement and manage the activities scheduled.

There was constant communication between the partner organizations and the SNV. In general, procedural aspects were closely followed, but control by the SNV on the Programme for Strengthening Grassroots Organizations was too rigid. The dominant role of the SNV in the administration and monitoring of the projects under this programme did not match SNV's principle of ownership of projects by the partner organizations.

Sustainability

Transfer of knowledge was a task for all *associates*. Although half of the associates did not work with a clearly identified counterpart, in about three-quarters of the postings knowledge was transferred and the adoption of new approaches and methodologies by the host organization was lasting. This was less the case in the smaller grassroots organizations, where leaders rotated and functionaries and professionals changed frequently.

Only a few host organizations had formulated clear consolidation strategies aimed at the independent continuation of the activities originally performed by the associate. Experiences varied regarding the sustainability of activities with the target group. There were successful examples of the transfer of management and operational responsibilities to the target groups and agency staff, but the few completed activities aimed at strengthening the grassroots organizations of indigenous communities were not sustainable.

In most cases the sustainability of *project* results could not be determined, since the projects were still ongoing. The potential sustainability of these projects was limited because of weak management and lack of operational capacity. The sustainability of completed projects was rather low, since project administration had depended largely on the SNV. Although most organizations took measures to consolidate the results, structural impediments such as the lack of financial and personnel resources and organizational weakness hindered the consolidation of the activities. Most partner organizations strove to continue the activities, either by proposing new projects to SNV or by contacting other potential donors.

Practically all host and partner organizations faced uncertainties regarding future financing, so financial sustainability remained weak. The small number of external donors implied considerable financial dependency and risks in terms of continuity.

9 Women and Development

Women's living conditions in Bolivia

Women in Bolivia, especially indigenous women, suffer more from poverty than men. This is an increasing trend, partly due to the fact that many men out-migrate, leaving women behind in the rural areas. In general, women's unequal position is concealed by the concept of complementarity.² Bolivia has the highest maternal mortality rate in the Andean region. Violence against women is a frequent phenomenon, responsible for some 65% of the charges of physical aggression in the country's major cities. Although women have become more and more economically active and responsible for family maintenance in the cities as well in rural areas, they suffer from high under- and unemployment rates and low incomes. In spite of women's active participation and broad involvement in popular organizations, they constitute an absolute minority as far as representation and decision-

² A key notion in the Andean culture, referring to the couple being a unit and the contribution of each (the man in a more public role and the woman in a more domestic one) being vital for the whole family's upkeep and well-being. Several authors emphasize that complementarity does not imply equality, and contributes to perpetuating asymmetrical relations in which the masculine is considered superior to the feminine.

making in these organizations are concerned. The participation of girls in education is still less than that of boys, while in the countryside two-thirds of the illiterates are women.

The women's movement

Bolivian culture and traditional sectors within the Catholic Church have limited the active participation of women in society. The development of a women's movement in Bolivia has been slow. At present there are two separate currents in the movement: one of independent feminists and one of NGO-linked women, who emphasize the need to establish relations with the state and civil society. These have different goals and identities. It has been difficult to coordinate the work of NGOs with that of grassroots organizations. Another problem is the movement's concentration in the main cities, especially in La Paz.

The first NGOs to work with women emerged during the eighties. They defined women's issues in terms of class, not so much in terms of ethnic and gender oppression, and tried to solve problems dealing with unsatisfactory material living conditions. Since 1990 some NGOs have begun to incorporate a gender-oriented perspective, sometimes as a result of the pressure exerted by international cooperation agencies. Interinstitutional coordination exists among NGOs working with a gender-oriented perspective through the Women's Coordinating Committee and the Women's Platform. The Committee also coordinates with the government.

There is a broad range of women's grassroots organizations in the country, within which the miners' women represent what has historically been the most recognized sector. From the sixties on, mothers' clubs and centres were created with the purpose of facilitating an efficient distribution of donated food. It is estimated that today there are 4,000 mothers' clubs throughout the country.

Bolivian policies on Women and Development

Different plans and projects in the area of Women and Development have been formulated within the Bolivian public sector. Objectives and perspectives, however, have varied over the years. After a period marked by the struggle for democracy (1971–82), the Women's International Decade (1975–85) directed its focus on increasing women's productivity, income and consumption levels. Since 1989, the W&D theme became integrated into the country's social policies stemming from strong conditioning by international aid donors.

In 1993, government reforms and the constant pressure from women's groups and civil society led to the creation of the Subsecretariat for Gender Issues. The Subsecretariat has

been very much involved in the area of violence against women. A law against domestic violence was passed in 1995. The Subsecretariat has coordinated its work with other state agencies, focusing basically on three strategic areas: the participation of women in local management and decision-making processes, access to and control over the means of production, and access to services that improve the quality of life.

The Local Fund for Women in Bolivia

The Local Fund for Women (LFWB), operated by the Dutch Embassy in La Paz, aims at improving the conditions of women through strengthening their autonomy in the economic, socio-cultural, political and physical domains. The Fund finances activities geared to developing and operationalizing W&D policies; promoting and institutionalizing expertise on women's issues; making women's interests more visible; and supporting innovative, experimental activities and women's organizations able to play a key role in the organization and empowerment of women.

The LFWB has been in operation since 1992 and had spent approximately Dfl. 1,4 million on 105 activities by the end of 1994. The majority of the activities took place in areas where Dutch cooperation was concentrated, as well as in La Paz and Santa Cruz. Almost half of the activities had a national scope. NGOs were the main executing agencies (80%). The Bolivian public sector was the executing agency in twelve cases. Activities were undertaken mainly in social infrastructure, education and health.

Over one-third of the activities benefited grassroots women or their organizations directly. Other activities exerted an indirect effect. For example, many activities financed by the Fund consisted of seminars, congresses and other types of encounters, usually low-cost activities of short duration. Research and publications represented one-fifth. Educational and training activities, public campaigns and institutional support took up between 10 and 15% each. Nearly 40% of the activities were simultaneously targeted on economic, social, political and physical aspects of autonomy, and over a quarter of all activities on political autonomy.

Evaluation

Relevance

The main problems and needs of Bolivian women at a strategic level include training and education and the formulation of policies. Participation, violence and the organization of women at an intermediary level are also considered priorities.

The Embassy's attempt to give the theme of Women and Development an institutional basis in the country, and its focus on gender expertise and training, have been relevant in view of the problems and policies found in Bolivia. The strategy was to work both with the government and with different types of women's organizations. The LFWB has kept very much in line with the Bolivian government's W&D policy. The Fund has also proven to be a good instrument for the short-term financing of small-scale activities and the implementation of immediate and specific actions geared towards advancing women's strategic interests in projects funded under other Dutch programmes in Bolivia. The LFWB played a leading role in the W&D area, also compared with the cooperation programmes of other donor countries in Bolivia.

It proved difficult for women from grassroots organizations to access the fund, which explains the limited number of proposals submitted by them. This was also due to the fact that grassroots proposals aimed mostly at solving practical needs directly rather than translating them into strategic terms. Grassroots organizations also seemed to lack sufficient, qualified human resources and showed deficiencies in the planning of activities and in administrative/financial management.

Effectiveness

Most of the activities included in the sample showed good direct results with respect to the proposed objectives. It was more difficult to point out long-term effects and any possible multiplier effect. However, various activities were part of broader processes and geared to a wider impact. The efforts of the LFWB to strengthen grassroots organizations at a strategic level were positive, though it was clear that these organizations needed more assistance and monitoring. Regarding the contribution to the Fund's objectives as well as to women's autonomy, it has been concluded that the LFWB has contributed substantially to the execution of Dutch policy in the field of W&D at a strategic level.

Efficiency

Almost all institutions demonstrated a satisfactory executing capacity in the management of resources and the carrying out of activities, except that projects often needed more time than originally foreseen for their completion. The guidance of grassroots organizations in project preparation, formulation, monitoring and reporting deserves strengthening. In general, funds were used according to approved budgets. The reports sent to the Embassy contained sufficient information and cost justification, but differed in terms of depth and quality. Delays in the execution and/or delivery of reports were due to such factors as bad planning and lack of experience among recipient organizations. At the programme level, the LFWB was managed efficiently by the Embassy. It can be concluded that, at

relatively low costs, the LFWB has obtained considerable results. The positive receiving structure of Bolivia has contributed greatly to this success. It is also obvious that the proper management of the Fund was facilitated by delegating the decision-making to the Embassy.

Sustainability

It was not possible to adequately evaluate the sustainability of the results of the activities under study, since most projects were very recent while some were limited to immediate results, such as the organization of a seminar. It should be pointed out, however, that in more than half the cases in the sample, measures were taken during or after the implementation of the activity to ensure continuity. In activities forming part of a broader process, these measures had already been incorporated in the planning stage. Many of the activities enjoyed a certain continuity. At the government level, various activities contributed to the drafting of sectoral W&D policies; strengthening the managerial capacity of state organizations involved has been achieved to a great extent.

Women and Development in other Dutch development cooperation efforts

Though Dutch programme aid to Bolivia did not explicitly involve a gender-differentiated approach, certain indirect microeconomic effects on women have been observed. For example, the use of fertilizers has caused an increased workload for women but has also led to more knowledge about its application and higher incomes. The budget support to the Bolivian social funds had no direct effect on the employment and income of women, but the female population has benefited more from FIS investments in the social infrastructure than the male population.

Except the Mink'a project, the agricultural development projects have not adjusted their activities and working methods to the increasing responsibilities of peasant women in agriculture. The general objectives of the agricultural projects made no reference to gender aspects. The projects usually referred to the concept of the peasant family unit and did not apply gender-specific methods of participation, training and technology transfer. They did not focus on strengthening the autonomy of peasant women. Again, the Mink'a project was an exception. In some projects, peasant women were overburdened with tasks as a consequence of the additional activities being promoted. The agricultural projects evaluated have had little positive effect on peasant women, either in terms of their poverty situation or in terms of promoting their autonomy.

All four CFAs have made considerable efforts to achieve a more gender-oriented approach in their partners' work and have supported special women's programmes and

organizations in Bolivia. The subject of Women and Development has become a central issue in both CFAs and counterpart organizations, and achievements were observed in policy development and support, working methodologies and training. Results are more prominent at the strategic level (policy, institutionalization, gender expertise, etc.) than at the practical level, e.g. the improvement of women's living conditions. The SNV was not able to obtain results in accordance with its Women and Development policies. Over half the host and partner organizations had no specific W&D policy. With some exceptions, neither the general W&D policies of DGIS nor those of the SNV-Netherlands were taken into account in the SNV activities investigated. No substantial effects have been found with respect to strengthening women's autonomy or improving their standard of living, their social status or their economic independence.

10 Some local perceptions of development aid

A study was carried out on how international cooperation was perceived by the different social actors involved in two rural municipalities, Aiquile (Cochabamba) and Tinquipaya (Potosí). The objective was to determine whether interventions financed by international cooperation in general, and by the Netherlands in particular, responded to the needs and priorities of the target groups. The actor approach highlighted the visions, strategies and perceptions of the various actors, coloured by their particular experiences and relations. Special attention was paid to:

- the forms of local organization through which the interventions were carried out;
- the ways in which actors appropriated or took advantage of interventions;
- the extent to which the interventions had an impact on the existing survival strategies at a family or community level.

This qualitative in-depth research was intended to illustrate the existing perspectives on and experiences with international cooperation. It did not profess to be representative of either Bolivian perspectives in general or Dutch aid in particular, since it only covered a small percentage of total Dutch aid. Within each municipality a number of communities or villages were chosen belonging to different local authorities (*cabildos*, *ayllus*) and with a different 'density' of projects, grassroots organizations and NGOs. Apart from numerous interviews, systematic narratives were recorded with 35 respondents (both beneficiaries of projects and others) in each municipality.

In Aiquile, the *sindicato* was the most important internal organization, providing cohesion for the community. The area's recent history has created social differentiation based on variables such as differences in educational levels between adults and youngsters and the social impact of temporary and permanent migration. Traditional forms of mutual

support (such as the *faena*) continue to exist but have suffered erosion, leading to a certain internal division within the communities. The Catholic Church and the NGOs (some of them supported by Dutch CFAs) have been active for several decades in this region. In Tinquipaya, the *sindicatos* played a less crucial role because the forms of internal organization depended more on traditional Andean structures, such as the *ayllu* and the *cabildo*. Relations were tense between both the local government and the inhabitants of the town of Tinquipaya on the one hand and the surrounding communities on the other. NGO presence was lower than in Aiquile, and larger bilateral (public sector) projects predominated among the external interventions.

Perceptions of implementing agencies and beneficiaries

The implementing organizations of the projects were either the local governments (municipalities), NGOs, grassroots organizations or specific project teams. The municipalities expressed scepticism towards development projects implemented by NGOs and questioned their knowledge of the social reality in rural areas. In their opinion investments were spread thinly as a result of insufficient planning, and duplication of activities was no exception. In Tinquipaya, the local government believed that food aid has made the community members dependant and 'lazy'. Both the municipalities and the NGOs involved believed that international cooperation benefited some communities, but not all of them and not all members of the community alike.

The perceptions of the beneficiaries regarding external interventions were determined by their direct experiences. Villagers knew about the different projects, but sometimes confused them. The community members tended to personify the implementing organizations by their field staff and they perceived the relationship with the organization as a result of a negotiation process with reciprocal obligations. These obligations included not only material aspects (financing) but also intangible aspects (discourse). They were sometimes sanctioned with traditional cultural expressions (e.g. prayer ceremonies).

Communities appreciated the opportunity offered by the projects to work together, to learn planning and coordinating activities, and to increase their negotiation capacity. Young people were able to develop leadership capacities. Participation in organizations demanded much time from the beneficiaries, a fact usually neglected by the projects' executing agents. Certain activities were to be carried out compulsorily or under heavy social pressure, and the organizations involved were sometimes seen as authoritarian. Mechanisms and procedures set by the projects did not always coincide with existing practices and feelings. For some individuals involvement in projects was potentially dangerous—a threat to communal unity—and therefore undesirable. There was a fear

that people from outside the community had come to bring 'division' to the community. A number of projects had, in effect, caused conflicts, not only internally but also between communities. There was sometimes a contradiction between traditional organizations and the committees created by the projects, though in general, however, the new forms of organization were either integrated in the *sindicato* or operated parallel to it (Cochabamba). In Potosí, new organizations operated mainly parallel to traditional ones.

Villagers had their own theories about how projects operated and whom they benefited. According to them, the community members taking most advantages of projects were those who had enough time to participate actively in development work or those who had more money, owned infrastructure or possessed more know-how about the community. The benefits of interventions were highly differentiated by gender, age, position in the community and access to financial resources and labour. People having closer links with executing entities were married men old enough to hold positions of some standing in their communities. Not all the community members could benefit from the projects because some of them had migrated, while elderly people or single female household heads might not be able to contribute with work or cash.

The long-term effects of the projects were often not clear to the beneficiaries. In the case of sanitation and health projects, the beneficiaries were larger groups within the community or the community as a whole. The benefits of income-generation or productive projects tended to be individualized, leading to differentiation and conflict. Dutch international cooperation was not viewed as anything special or remarkable. Finally, neither the local authorities nor the communities knew where the resources for Dutch projects came from.

Annexe 1 Comment by the Viceministry of Public Investment and External Finance, in coordination with civil society organizations

On the completion of the evaluation of the assistance provided to Bolivia by the Netherlands between 1969 and 1995, I wish to inform you on a number of issues that emerged at various meetings, in which representatives of both the Government and civil society took part.

1. Bolivia greatly appreciates the Dutch decision to carry out an evaluation of its development cooperation over this 26-year period. In our view, it would be very useful if all of the development agencies and countries assisting Bolivia's development carried out such evaluations.
2. An important factor to be highlighted is the methodology used, which permitted the participation of government bodies and representatives from civil society during the entire evaluation process, i.e. from the analysis of the proposed terms of reference to the review of the subject reports and the final study.
3. One of the main aspects of the evaluation worth emphasising is the harmonious way in which Dutch development cooperation has accompanied the democratic process in Bolivia, as well as the process of economic restructuring and the application of the principles of a market economy. Almost 90% of the aid received in this period coincided with this major restructuring of society and this has helped to strengthen the relationship between our two countries.
4. Within the framework of democracy and the market economy, we should not lose sight of the high level of poverty in our country. Dutch development has been based on a clear understanding of this situation and has shown great consistency in its support for the struggle against poverty.
5. The criticism that the government has paid insufficient attention to the problems of the rural areas is valuable and justified. The current government has committed itself to combating poverty by focusing in an integral way on the rural sector in the west

of the country. We hope that the Netherlands will continue to provide its support, which will be decisive for the success of this long-term policy.

6. Another valuable consideration refers to institutional matters. Bolivia aims at institutional continuity in the reforms that successive governments have been developing within the framework of democracy.
7. Although institutional strengthening of the actors contributing to poverty eradication (NGOs and the government) is certainly important, the support of those actors themselves is even more important in making aid more sustainable and thereby gradually achieving greater independence.
8. Bolivia is of the opinion that, although specific activities should be implemented independently, aid should be coordinated in general terms. This coordination is intended to enhance the effectiveness and sustainability of the aid.
9. In the future it will be important that the Netherlands and Bolivia specify more precisely the results expected from the development cooperation programme. Bolivia is aware that the aid cannot be provided infinitely and that the governments and civil societies of both countries should be given clear and concrete evidence of the progress made with the aid received.