

**BOLIVIA**

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

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# Preface

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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 12.

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 Conclusions, 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*

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## Abbreviations\*

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ACLO	Acción Cultural Loyola (Cultural Action Loyola)
AIPE	Asociación de Instituciones de Promoción y Educación (Association of Education and Extension Institutes)
ANED	Asociación Nacional Ecuménica de Desarrollo (National Ecumenical Development Association)
APCOB	Apoyo para el Campesino Indígena del Oriente de Bolivia (Aid to the Indigenous Peasantry of Eastern Bolivia)
APDHB	Asamblea Permanente de los Derechos Humanos de Bolivia (Permanent Assembly for Human Rights of Bolivia)
APT	Asociación de Productores de Trigo (Association of Wheat-producers)
ASONGS	Asociación de ONG que trabajan en Salud (Association of Non-Governmental Organizations in Health)
Bs.	Bolivianos (Bolivian currency unit)
CAF	Corporación Andina de Fomento (Investment Corporation of the Andes Pact)
CANOB	Centro Ayoreo Nativo del Oriente Boliviano (Centre for the Native Ayoreo of Eastern Bolivia)
CASDEC	Centro de Acción Social para el Desarrollo Comunitario (Centre for Social Action for Communal Development)
CDLM	Coordinadora de la Mujer de La Paz (Women's Coordinating Committee of La Paz)
CEDLA (B)	Centro de Estudios para el Desarrollo Laboral y Agrario (Bolivia) (Research Centre for Development in Employment and Agriculture, Bolivia)
CEPROMU	Centro de Promoción y Capacitación de la Mujer (Centre for the Advancement and Training of Women)
CER	Centro de Comunicación y Educación Rural (Rural Communication and Education Centre)
CETHA	Centro de Educación Técnica Humanística y Agropecuaria (Technical, Humanistic and Agricultural education Centre)
CETM	Centro de Estudios y Trabajo de la Mujer (Women's Centre for Studies and Work)
CFA	Co-financing Agency

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\* Often no official translations exist of the original Spanish names. In such cases English translations have been only made for the readers' convenience, but do not carry any status.

CIAT	Centro de Investigación Agropecuaria del Trópico (Agricultural Research Centre for the Tropics)
CICDA	Centro Internacional de Cooperación para el Desarrollo Agrícola (International Centre for Agricultural Development Cooperation)
CIDA	Canadian International Development Agency
CIDEM	Centro de Información y Desarrollo de la Mujer (Women's Information and Development Centre)
CIDOB	Confederación Indígena del Oriente (Chaco y Amazonía) de Bolivia (Union of Indigenous People and Communities of the East, Chaco and Amazonia of Bolivia)
CIDRE	Centro de Investigación y Desarrollo Regional (Research and Regional Development Centre)
CIPCA	Centro de Investigación y Promoción del Campesinado (Centre for Research and Advancement of the Peasantry)
CISEP	Centro de Investigación y Servicio Popular (People's Research and Service Centre)
CISTEM	Centro de Investigación Social y Trabajo en Equipos Multidisciplinarios (Centre for Social Research and Multidisciplinary Team Work)
COB	Central Obrera Boliviana (Bolivian Labour Union)
COD	Central Obrera Departamental (Departmental Labour Union)
COINCA	Cooperativa Integral Campesina (Peasant Cooperative)
CORACA(-P)	Corporación Agropecuaria Campesina (de Potosí) (Peasant Agricultural Corporation of Potosí)
CSUMCA-BS	Central Sindical Unica de Mujeres Campesinas de Ayopaya—Bartolina Sisa (Central Union of Peasant Women of Ayopaya—Bartolina Sisa)
CSUTCB	Confederación Sindical Unica de Trabajadores Campesinos de Bolivia (Syndi- calist Confederation of Peasant Workers of Bolivia)
DAC	Development Assistance Committee (of the OECD)
Dfl.	Dutch Guilders
DGIS	Directoraat Generaal Internationale Samenwerking (Directorate General for International Cooperation)
ERBOL	Asociación de Educación Radiofónica de Bolivia (Association of Radio Education of Bolivia)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDC	Fondo de Desarrollo Campesino (Smallholder Development Fund)
FIS	Fondo de Inversión Social (Social Investment Fund)
FNMCB-BS	Federación Nacional de Mujeres Campesinas de Bolivia—Bartolina Sisa (National Federation of Peasant Women of Bolivia—Bartolina Sisa)
FRMNP	Federación Regional de Mujeres del Norte de Potosí (Regional Women's Federation of Northern Potosí)
FSE	Fondo Social de Emergencia (Social Emergency Fund)
GDP	Gross Domestic Product

GOM	Gemeenschappelijk Overleg Medefinanciering (Co-financing Consultative Body)
ha.	hectare
HIVOS	Humanist Institute for Cooperation with Developing Countries
ICADES	Instituto de Capacitación y Apoyo al Desarrollo Económico Social (Institute for Socioeconomic Development Training and Support)
ICCO	Interchurch Organization for Development Cooperation
ICMY	Instituto de Capacitación de la Mujer Yungueña (Training Institute for Women in the Yungas)
ICO	Instituto de Capacitación del Oriente (Training Institute of the East)
IDA	International Development Association
IDB	Inter-American Development Bank
IDEPRO	Instituto para el Desarrollo de la Pequeña Unidad Productiva (Institute for Small Scale Productive Development)
IER	Instituto de Educación Rural (Institute for Rural Education)
IFAD	International Fund for Agricultural Development
IICA	Inter-American Institute for Cooperation in Agriculture
ILO	International Labour Organization
IMF	International Monetary Fund
INCATEM	Instituto de Capacitación Técnica de la Mujer (Technical Training Institute for Women)
INDICEP	Instituto de Investigación Cultural para la Educación Popular (Cultural Investigation Centre for Popular Education)
INEDER	Instituto de Educación para el Desarrollo Rural (Educational Institute for Rural Development)
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (Policy and Operations Evaluation Department)
IPAM	Instituto de Promoción y Asesoramiento Minero (Miners' Extension and Advisory Institute)
IPTK	Instituto Politécnico Tomás Katari (Polytechnical Institute Tomás Katari)
IT	Instituto Tecnológico (Technological Institute)
KAP	Klein Ambassade Project (Small Embassy Project)
km <sup>2</sup>	square kilometre(s)
KSP	Klein SNV Project (Small SNV Project)
LFW	Local Fund for Women
LFWB	Local Fund for Women in Bolivia
m	metre(s)
MACA	Ministerio de Asuntos Campesinos y Agropecuarios (Ministry of Peasants' and Agricultural Affairs)
MNR	Movimiento Nacionalista Revolucionario (Nationalist Revolutionary Movement)
NGO	Non-governmental Organization

NOVIB	Netherlands Organization for International Development
ODA	Official Development Aid
OECD	Organization for Economic Cooperation and Development
ONAMFA	Organismo Nacional del Menor, Mujer y Familia (National Organization for Youth, Women and Family)
OSAP	Organización Social de Apoyo a Proyectos (Social Organization for Support to Projects)
PDLM	Plataforma de la Mujer (Women's Platform)
PME	Planning, Monitoring and Evaluation
PRACA	Programa de Apoyo Campesino (Peasant Support Programme)
PROCADE	Programa Campesino Alternativo de Desarrollo (Alternative Programme for Peasant Development)
PROCOM	Programa de Contención Migratoria (Programme for the Containment of Migration)
PRODESIT	Proyecto de Desarrollo Integrado de Tinquipaya (Integrated Development Project of Tinquipaya)
PRODIS	Programa de Desarrollo e Investigación Social—Yanapakuna (Programme for Development and Social Research—Yanapakuna)
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)
PUM	Programma Uitzending Managers (Netherlands Management Consultancy Programme)
SAG	Subsecretaría de Asuntos de Género (Subsecretariat of Gender Affairs)
SEAPAS	Secretariado Arquidiocesano de Pastoral Social (Archidiaconal Secretariat for Pastoral Social Work)
SERPAJ	Servicio Paz y Justicia (Service for Peace and Justice)
SNV	Nederlandse Ontwikkelingsorganisatie (Netherlands Development Organization)
THOA	Taller de Historia Oral Andina (Workshop on Andean Oral History)
UMSS	Universidad Mayor de San Simón (San Simón University)
UN(O)	United Nations (Organization)
UNDP	United Nations Development Programme
UNITAS	Unión Nacional de Instituciones para el Trabajo de Acción Social (National Union of Institutes for Social Action)
US(A)	United States (of America)
USAID	United States Agency for International Development
US\$	US Dollars
W&D	Women and Development

# Glossary

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<i>Altiplano</i>	Highlands
<i>ayllu</i>	traditional Andean peasant community
<i>Bilance</i>	catholic development organization (earlier Cebemo/Lenten Campaign)
<i>cabildo</i>	traditional local government unit
<i>campesino</i>	peasant
<i>chachawarmi</i>	indigenous/mythological representation of the man– woman unity
<i>cholo(a)</i>	westernized person of indigenous origine
<i>Decreto Supremo</i>	Supreme Decrete
<i>faena</i>	communal chore
<i>hacienda</i>	(large) farm
<i>jilaqata</i>	traditional indigenous leader
<i>junta vecinal</i>	neighbourhood council
<i>latifundio</i>	extensive area of farmland or land ownership
<i>Llanos</i>	Lowlands
<i>mandil</i>	apron
<i>mestizo</i>	Indian with mixed blood
<i>minifundio</i>	small area of farmland or land ownership
<i>minifundismo</i>	system of small holdings of farmland
<i>minifundista</i>	smallholder
<i>mink'a</i>	form of communal labour
<i>ollas populares</i>	communal kitchens
<i>Plan Sequía</i>	Drought Plan
<i>pollera</i>	skirt
<i>puna</i>	highland with little vegetation (above the timberline)
<i>quinua</i>	millet variety
<i>sindicato</i>	labour union
<i>tarhui</i>	lupine variety ( <i>lupinus mutabilis</i> )
<i>tuna</i>	cactus variety
<i>Valles</i>	Valleys





## Exchange rates

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### Foreign currency exchange rates

(in pesos/bolivianos and Dutch guilders per US dollar)

<b>Year</b>	<b>Bolivianos per US dollar</b>	<b>Dfl. per US dollar</b>
1985	1.692.000.00	3.32
1986	1.923.000.00	2.45
1987	2.21	2.02
1988	2.47	1.97
1989	2.98	2.12
1990	3.40	1.89
1991	3.75	1.87
1992	4.10	1.76
1993	4.48	1.86
1994	4.62	1.82
1995	4.88	1.61
1996	5.14	1.69

Sources: Central Bank of Bolivia and the Netherlands Ministry of Foreign Affairs.



# Main findings

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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 financial aid 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.

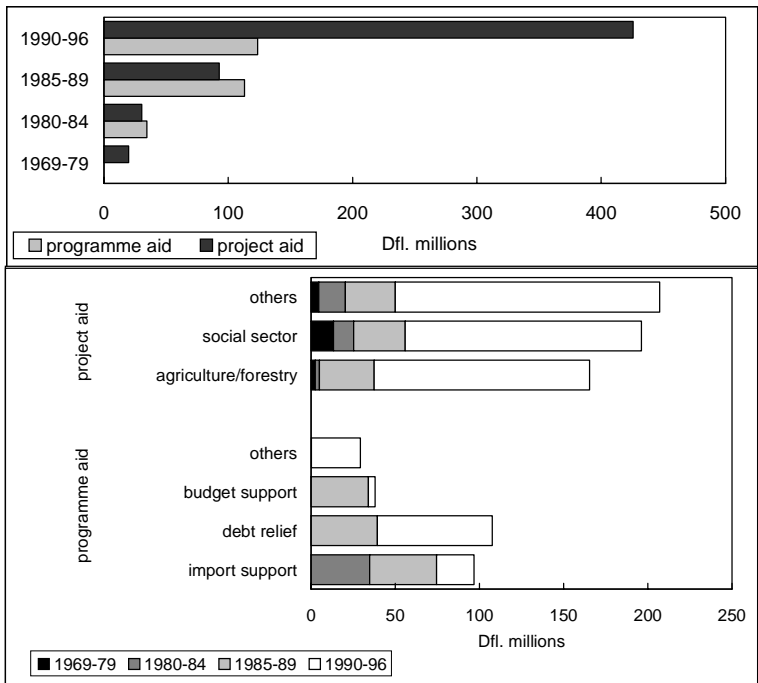
Annual disbursements increased from less than Dfl. one million during the period 1969–74 to an average of over Dfl. 75 million during the period 1990–96. All aid provided to Bolivia has been in the form of grants; one-third was spent on programme aid and two-thirds on project aid and humanitarian aid. Although over time there was an increasing policy convergence between Bolivia and the Netherlands and growing Dutch confidence in the management capacity of the Bolivian public sector, the share of programme aid 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	4.4
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
<b>Total</b>	<b>840.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>



**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 specifically focused on 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. The relationship between projects and executing organizations and their personnel was seen 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.

# 1 Design and scope of the study

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## 1.1 Origins

In 1991 the Policy and Operations Evaluation Department IOB (then Operations Review Unit IOV) of the Netherlands Ministry of Foreign Affairs started a series of country evaluations of Dutch bilateral aid programme (for a brief description of the IOB see annexe 1). Three countries were selected, namely India, Mali and Tanzania. The main arguments for carrying out these country programme evaluations were: the share of Dutch development assistance channelled through country programmes, the combination of various aid instruments being used in country programmes to realize Dutch policy objectives and priorities, and to assess organization and management of aid. The three country reports were published in 1994 and the findings on organization and management were published separately in the same year.

In 1994, the IOB was asked to evaluate the bilateral aid programmes for Bangladesh, Bolivia and Egypt. Following recent policy changes, notably the integration of development cooperation into the broader foreign policy framework, the aid effort was placed in the wider context of bilateral relations between the two countries.

## 1.2 General objective and key questions

The general objective of the study was to evaluate the relevance, effectiveness, efficiency and sustainability of the Netherlands development cooperation programme with Bolivia.<sup>1</sup> The general objective was operationalized by the following key questions:

- To what degree does the development cooperation programme address the recipient country's main development problems and to what extent does it reflect the policies of both the Netherlands and Bolivia?

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<sup>1</sup> The word programme is used here to refer to the totality of Dutch development cooperation activities with Bolivia; it does not suggest a relationship between individual activities nor that they are based on a single policy.

- What are the results of the programme and how does it contribute to the main objectives of Dutch development cooperation in Bolivia (poverty alleviation and democratization) and the improvement of the position of women and of the environment?
- How efficient are the activities, including their organization and implementation?
- To what extent are the results sustainable?

The concepts of relevance, effectiveness, efficiency and sustainability are used in this report according to the standard definitions as applied by the IOB. Relevance refers to the degree to which the programme reflects the priorities of both the Netherlands and Bolivia and whether it addresses the crucial development problems of the latter. Effectiveness pertains to the extent to which policy and project objectives have been achieved. The achievements can be expressed in outputs, effects and impact. Impact refers to the degree to which a process of further development is brought about, i.e. over a longer term perspective and with reference to certain target groups. Effectiveness is first measured at the level of individual projects or programmes and subsequently at higher levels such as those of sectors or the whole country programme with regard to the main objectives and priorities of Dutch development cooperation. Efficiency concerns the choice of instruments and the realization of objectives in relation to the resources used. In this study efficiency is not determined on the basis of a cost/benefit analysis, as in most cases results cannot be quantified in monetary terms due to their nature or to the lack of required information. Instead attention was paid to procedural aspects such as (project cycle) management and timing. A development programme or project is sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated (OECD 1989:7). The principal factors of sustainability according to the Organization for Economic Cooperation and Development (OECD) fall under nine headings, such as government policies, management, local participation, finance, technology, etc. In this study the policy and institutional aspects received most attention, while in a number of projects the financial and technological aspects were also studied.

### **1.3 Scope of the study and activities selected for in-depth study**

The evaluation covered the period from 1969 to 1995, but focused on the years from 1985 to 1995. In descriptive parts and overviews data have been updated including the year 1996. In the different chapters reference is made to particular moments or periods of time. It was not possible to apply a uniform time frame for all chapters, since the historical process in Bolivia and the development of policies in the Netherlands within the four co-financing agencies (the co-financing agencies are Dutch non-governmental organizations (NGOs) that execute programmes and projects through counterparts in

developing countries), within the Netherlands Development Organization (SNV) and in the counterparts in Bolivia all have their own dynamics. Furthermore, the structural adjustment programme passed through its own phases.

In order to make a selection of activities to be studied in depth, it was essential to obtain an adequate overview of development activities in Bolivia assisted by Netherlands bilateral aid. The preparatory phase of the study, therefore, consisted of setting up such an overview in the form of a data base. On the basis of this overview the general characteristics of the programme could be established (see section 4.3) and a selection of activities for further study could be made. The selection of these activities was based on two criteria: the level of disbursements and the relative importance in terms of policy.

In the category of programme aid three components were selected for evaluation. Together they cover 69% of Dutch programme aid to Bolivia and comprise 22% of all Dutch aid, amounting to 840.2 million Dutch guilders (Dfl.), to Bolivia during the period 1969–96:

- Import support was the most important type of aid during the 1980s in financial terms. Import support was provided from 1982 to 1991 and amounted to Dfl. 96.7 million, or about 36% of all programme aid and 12% of total Dutch aid to Bolivia.
- The Netherlands has been one of the forerunners in the field of debt relief offered to Bolivia, especially the buy-back of commercial debt titles. Dfl. 107.6 million or nearly 40% of all programme aid and nearly 13% of total Dutch aid to Bolivia has been spent on debt relief during the period 1969–96. Debt relief has been an important element in the Bolivia programme as well as in Dutch aid in general from 1987 up to the present. The evaluation focused on the buy-back of commercial debt titles representing Dfl. 44.3 million.
- The Social Emergency Fund (FSE) and Social Investment Fund (FIS) are important instruments in the framework of structural adjustment and Bolivian social policy. The FSE was the first social fund ever supported by the Netherlands government in 1986. The Dutch contributions to these funds were about Dfl. 37.9 million, or 4% of Dutch programme aid to Bolivia.

In the category of project aid the following components were selected for in-depth study:

- The Andes Programme was established in the late 1980s and funds projects in the Andean countries. A total amount of Dfl. 363 million was spent in Bolivia, 47% of which concerned activities in the agricultural sector. This agricultural part of the Andes programme accounted for 20% of all Dutch aid to Bolivia.
- The activities carried out by the Dutch co-financing agencies were selected for both historical and financial reasons. The co-financing agencies were among the first Dutch organizations to establish development links with Bolivian counterparts in the late 1960s and early 1970s. They have continued to be major actors in Dutch development

cooperation with Bolivia ever since. Together they have spent Dfl. 131.7 million under the so-called Co-financing Programme budget, and Dfl. 114 million funded additionally under other budget categories. Together this represented 27% of all Dutch aid to Bolivia. Other relevant considerations included the varied nature of the counterparts (grassroots organizations, NGOs and networks) and the broad scope of activities carried out by them.

- The Netherlands Development Organization (SNV) was also one of the first Dutch organizations to be active in Bolivia. Its original core activity was the provision of technical assistance through development associates assigned to local host organizations. In later years the SNV also carried out projects. The first personnel inputs took place in 1969 and have continued since then, totalling 155. The SNV carried out 25 projects in Bolivia. It worked with 49 different local partner and host organizations. Policy-wise the SNV is interesting because of its target group approach and the choice of its themes and regions in Bolivia. The total disbursements on postings and small SNV projects were about Dfl. 33 million, nearly 4% of the total Dutch aid to Bolivia. In addition almost seven million guilders were allocated from other budget lines for the execution of projects.
- The Local Fund for Women in Bolivia (LFWB) has been in operation since 1992. It was not selected because of its financial importance, as its share of total Dutch aid to Bolivia is less than half a percent. The reason for selection was rather its being a major instrument to operationalize Dutch Women and Development policies in Bolivia and because of its supposedly strategic focus and influence on the country's policy formulation.

All programme and project aid components selected for evaluation cover two thirds of the Dutch disbursements for development assistance in Bolivia, while the sample evaluated thereof represents 38.5%. The programmes not evaluated are nearly all small in financial terms and include the research and technology programme, the Netherlands Management Consultancy Programme (PUM), activities included in the cultural and communication programme, activities in the health sector, the fellowship programme and human emergency and food aid.

The study required a regional focus for logistic reasons. For this the departments of Potosí and Cochabamba were chosen. For some programme components, projects outside these departments have been added to the sample to make the sample more illustrative of the aid as a whole. Within the programme components selected for evaluation a further sampling took place for detailed study.

In the evaluation attention was paid to the themes of Women and Development (W&D) and the environment. The nature and volume of material collected on W&D justified



treatment in a separate thematic chapter. The results on the environment are reported as part of the existing chapters where relevant.

In addition to the components selected for research mentioned above, desk and field studies were conducted on the overall bilateral relations between the Netherlands and Bolivia and on beneficiaries' perceptions with respect to (Dutch) development initiatives in two selected municipalities.

All results, evaluative judgements and conclusions in this report are based on the activities evaluated in the sample, unless indicated otherwise.

#### **1.4 Approach and methods of data collection**

For each of the components mentioned above as well as the studies at beneficiary level and on broader bilateral relations, specific terms of reference were formulated detailing objectives, research questions, the methodology to be used, concepts and analysis, organization, the work plan and reporting. The selection or sampling of cases and projects was also dealt with in these terms of reference. In general, a procedure of purposive sampling was followed.

The various methods of data collection represented a combination of qualitative and quantitative techniques: structured, semi-structured and open interviews, questionnaires, studies of archival records, perusal of literature and other secondary sources, workshops and seminars, interviewing of key informants and experts. Persons from different social backgrounds and from civil society as well as the public sector were included as respondents. Also a number of desk studies and literature reviews were performed to provide background material (see for details annexe 2). Statistics used in this report are presented in nominal terms, unless indicated otherwise.

The preparatory desk and file studies started in September 1994. A first orientation mission was fielded in March 1995 and the general terms of reference for the study were approved in May 1995. Field and desk studies on the different components and background issues were carried out between mid-1995 and the end of 1996 by teams of Dutch, Bolivian and Latin-American experts (see annexe 2). These studies resulted in working documents that constitute the basis of this publication. The evaluation was guided by reference groups in both Bolivia and the Netherlands comprising government officials, academics, representatives of non-governmental organizations and consultants (see annexe 2 for details). The reference groups advised the IOB on the methodological and substantive aspects of the study and reviewed all documents produced. Finally, representatives from

the Bolivian government and from civil society have formulated a reaction on the report, which is included as annexe 12.

The final publication consists of three documents: this main report comprising background information and chapters on all components studied, a report on programme aid and a summary report.

## 2 Bolivia

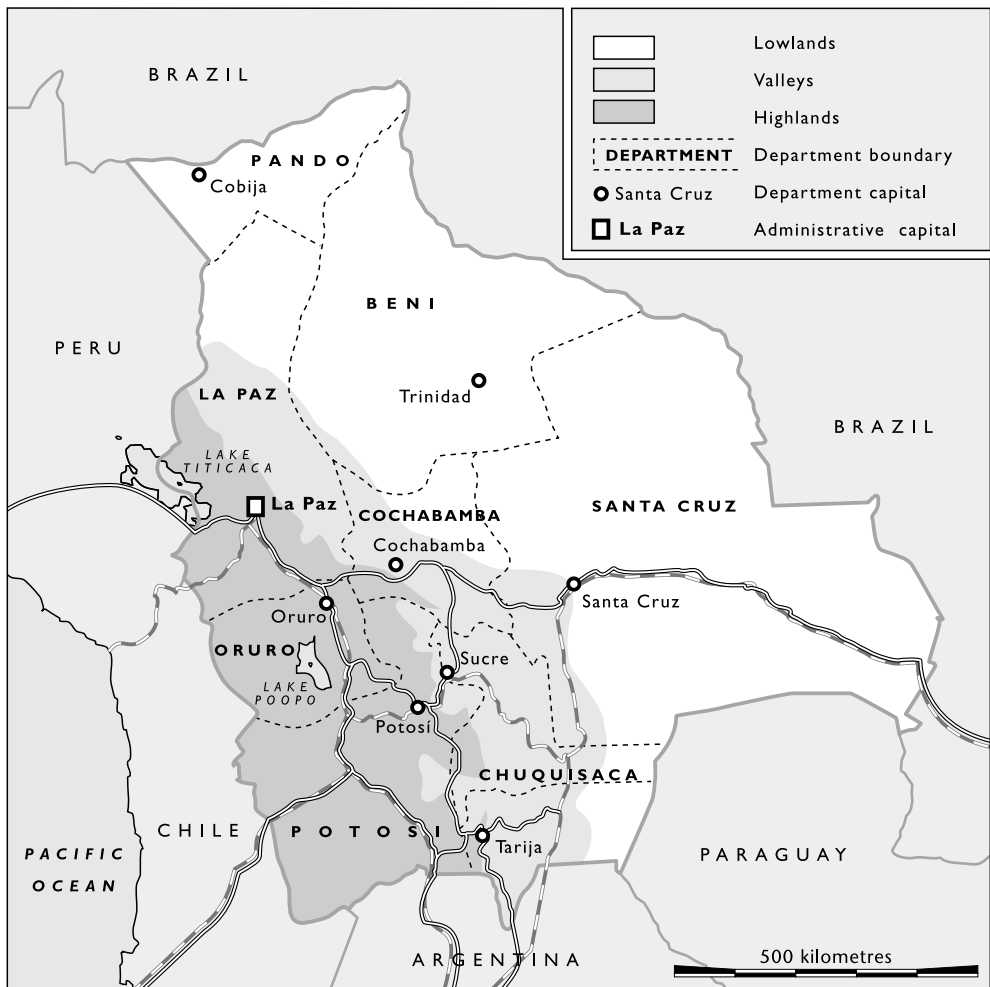
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### 2.1 History

Bolivia is a land of striking geographical and cultural diversity. Its recorded history goes back more than fifteen centuries. The Tiahuanaku culture produced a sophisticated architectonic and artistic style around 1000 AD. Later the Aymara empires were founded. Towards the mid-fifteenth century the Quechua-speaking Incas conquered the Aymara kingdoms, followed by the Spaniards in the first half of the sixteenth century. The Spanish colonization led to a partial and unbalanced integration into the European economic system through the exchange of food and mineral products, and caused many ecological and demographic changes, leading to the marginalization of the indigenous population.

After an independence struggle lasting several years, the Republic of Bolivia was founded in 1825. The new republic was not very stable and experienced many changes of government. Between 1825 and 1935 all neighbouring countries annexed parts of Bolivia and its territory was halved. Bolivia lost its access to the sea to Chile during the Pacific War (1879–83). Independence did not bring about many changes in the living conditions of the indigenous population. Much of their best land was taken away and they continued to suffer exploitation and discrimination at the hands of the land- and mine-owning elite.

In the 1930s new political parties, among them the Nationalist Revolutionary Movement (MNR), challenged the very structures of a society characterized by the accumulation of wealth and rural feudalism. On 9 April 1952 there was a national revolution, led by the MNR and supported by a peasant majority, the miners and large urban sectors. The main structural reforms introduced were: the right to universal suffrage; nationalization of the mines; large-scale public investments in the economy and a policy of import substitution; and the Agrarian Reform (1953), which basically consisted of taking land from *latifundios* and distributing it among their workers, the indigenous peasants. The MNR laid the foundations for a corporative system, promoting the creation of trade unions. The Bolivian Labour Union (COB) was founded, uniting almost all trade unions



**Map of Bolivia**

in favour of the revolution. The Trade Union of Mine Workers (FSTMB) had considerable influence in the COB.

A series of military coups were carried out during the 1960s and 1970s with the economic and strategic support of the United States of America, within the framework of the so-called Latin American struggle against communism. These coups were accompanied by the systematic repression of the working, peasant and mining classes, who were struggling for democracy and better living conditions. In the mid-sixties, militants from different left-wing parties founded the National Liberation Army (ELN), which led two campaigns of guerrilla activity: one in 1967, commanded by Ernesto 'Che' Guevara and one in 1970, led by Teoponte university students. Both were eventually defeated by the army.



*Sucre. Independence Hall. In the middle the portrait of Simón Bolívar*

During those decades, the governments were accused of abusing power and violating basic national and international rights such as a free press and the free flow of information, and freedom of religious expression. Amnesty International reported deaths by torture in prisons, disappearances, arbitrary arrests and the existence of hundreds of political prisoners. Almost all political parties, as well as the COB, were banned. Press censorship became the order of the day. In 1971, the Revolutionary Left Movement (MIR) was established in Chile by young university students, including Jaime Paz Zamora. A number of non-governmental organizations also emerged as the result of an initiative by the churches to protect persecuted peasants and trade unionists. Many were forced to become exiles in Europe. The seventies also saw the rise of several political and indigenous movements. The Trade Union Confederation of Bolivian Peasant Workers (CSUTCB) broke away from the Smallholders Military Pact and joined the COB. It became an important political actor in its own right.

After 1978 there was a period of great political instability with eight more military coups. In 1980 García Meza set up one of the most notorious dictatorships in the country's history, widely considered repressive, abusive and corrupt and having links with narco-trafficking. During and after the coup d'état 1,500 to 2,000 persons were arrested and special units were created for raids, killings and torture. Political and indigenous leaders were assassinated. García Meza was the first Bolivian president to be brought to trial

for ‘...human rights violations, the disruption of a democratic government, and other offenses’. He was convicted on 36 charges by the Bolivian Supreme Court in April 1993 and sentenced to the maximum imprisonment of 30 years without right to pardon.

In 1982 power was transferred to the civilian government of president Siles Suazo and vice-president Jaime Paz Zamora. Historical hyperinflation (11,700% in 1984) led to strikes, blockades, speculation and boycotts. The elections held in July 1985 yielded no clear winner and Congress elected president Paz Estenssoro, who subscribed to a neo-liberal economic model. In 1989 a government was formed under the presidency of Jaime Paz Zamora. The elections of 1993 were won by Gonzalo Sánchez de Lozada. The first Aymara vice-president in the history of Bolivia, Victor Hugo Cárdenas, was sworn in along with Sánchez. In 1997 the elections were won by Hugo Banzer Suárez. All governments after 1985 implemented a neo-liberal economic policy.

After the restoration of democracy a state of siege was maintained by several governments to deal with popular protests against government policies in the framework of the structural adjustment programmes, and there were large-scale arrests during confrontations between police and demonstrators on several occasions. During the 1990s, Bolivia has faced three problems in relation to the human rights issue: coca, social unrest and malfunctioning of the judicial system. Efforts to combat drug trafficking have been criticized for introducing laws and practices that violate international human rights standards. There have been reports by national and international human rights organizations of unlawful killings, torture and arbitrary arrests. The Parliamentary Commission on Human Rights has been investigating complaints regarding human rights abuses, and several local NGOs are active in this field. In 1997, the Government of Bolivia approved the Anti-narcotics Strategy 1998–2002 and presented an Alternative Development Plan to the Consultative Group (1998). The international donor community expressed its willingness to support the government’s efforts.

## **2.2 Geography, environment and population**

Bolivia is located in the heart of the Latin American continent and covers 1,098,581 km<sup>2</sup> (see map 2.1). Its topography and climate vary sharply according to location and altitude. Three regions with particular geographic characteristics can be distinguished: the *Llanos* (Lowlands), the *Valles* (Valleys) and the *Altiplano* (Highlands), covering 65%, 19% and 16% of Bolivia’s surface area respectively. On the *Altiplano* the climate is dry and cold; desert-like, rocky land alternates with salt lakes. The typical landscape is a high plateau with little vegetation. The *Valles* have a temperate climate, allowing more crop variety than the *Altiplano*, but economic activities like agriculture and mining easily disrupt the already precarious natural balance. The *Llanos* extend from the tropical and humid zone

in the North to the drier areas near the frontier with Paraguay. This flat plain, scattered with woods, savanna and swamps, is cross-cut by rivers that change course incessantly.

Bolivia's altitude influences its agricultural setting and directly affects its agricultural potential, in such a way that the different ecological strata facilitate the growing of a wide variety of crops. Only 2 to 3% of the surface area is under cultivation; 25% is used as pasture land and 52% is covered by forest. Bolivia's nine departments vary sharply as to their surface area, physical characteristics and population, and most display the characteristics of different ecological areas.

Bolivia's most serious environmental problems are erosion, excessive pasturing, the illegal cutting of timber, hunting and colonization and massive deforestation of the Lowlands. Contamination of water and air is caused by mining industries and the use of pesticides. Until the mid-1980s, the development strategy was based on the assumption that the carrying capacity of the Lowlands was limitless and that a balance between these lands and the densely populated Andes belt was feasible. Consequently, the management of natural resources was characterized by an over-exploitation of the land. Until 1995, the measures taken by Bolivia with regard to environment have been insufficient due to the lack of institutions that can effectively cope with these issues. There has also been little consciousness-raising and legislation. Furthermore, the country has only recently started setting up an ecological data base, made possible with Dutch support. Reafforestation is a recent development, but as yet covers no more than 8% of the 200,000 hectares deforested annually. Bolivia now has 42 protected areas, with a surface area of approximately five million hectares, which are of priceless ecological value. These areas, however, are in need of good management and control and lie vulnerable to the actions of colonists in search of 'new lands' and to those who exploit the forests illegally. The 'Ecological Pause for 1991-96' prohibited indiscriminate deforestation and was geared towards re-orienting the exploitation of natural resources through a process of territorial planning.

In 1995 Bolivia's population was estimated at around seven million inhabitants, with an annual growth of 2.1%. Approximately 60% live in the urban areas. Forty-three percent of the population is under sixteen years of age. The Bolivian population is made up of indigenous peoples (55%), *mestizos* (35%) and whites (10%). Quechuas and Aymaras tend to inhabit the *Altiplano* and the *Valles*, while around 30 different small ethnic groups inhabit the *Llanos*. The great majority of Bolivians, officially 95%, are Catholic, although the percentage of those who actually practice this faith is much lower. Recently other religious groups and sects have acquired greater significance in Bolivia.

The World Bank estimates that on average 70% of the Bolivian population lives in poverty, but this increases to 95% for the rural population. Seventy percent of the Bolivian

households have no adequate access to basic services such as education, health, basic sanitation and housing. Living conditions in rural areas are generally worse than in urban areas. Eighty percent of the houses in Bolivia are not deemed suitable for human habitation. There is temporary and permanent migration to the cities and new areas are being colonized in eastern Bolivia. Apart from this, many Bolivians emigrate to work in Argentina.

The country has a high fertility rate (4.8%) and a low life expectancy, though the latter improved from 47 in 1970 to 61 years in 1996. Overall mortality rates are still high: the infant mortality rate is on average 116 per thousand for children under five, but it is 30% higher in rural areas than in the cities. Health and nutrition-related indicators have improved considerably in Bolivia during the past decades, but they are still the lowest in Latin America. Only one-third of the population has access to primary health care, the lowest rates again to be found in rural areas. The food security situation is precarious for many Bolivian households, resulting in malnourishment.

The level of illiteracy fell from 37% in 1970 to 23% in 1994. Women's enrolment in the educational system tends to be relatively low: in 1992 50% of women in rural areas were illiterate, in comparison with 23% for men; for urban areas these figures were 16% and 4%. The educational system is in crisis at present, due to the lack of renewal and outdated concepts. A process of change was initiated in 1994, with the Law on Educational Reform.

Table 2.1 shows the development of selected social indicators over the period from 1970 to 1994 and compares the Bolivian figures for 1994 with those for Latin America as a whole. Although social indicators have improved 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 its position deteriorated during the period 1988–94. Of all the Latin American countries only Haiti and Honduras occupy lower positions. Most economic and social indicators for women are worse than those for men.

### **2.3 Culture and ethnicity**

Bolivia is a pluricultural and multilingual society with several socio-cultural worlds. The rural Andean culture is relatively homogeneous, and although it supports two different languages, it would not be correct to speak of an Aymaran culture as distinct from a Quechuan culture.<sup>2</sup> Part of Bolivian society has adopted Western standards, while mixtures of Western and Andean cultures can also be observed.

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<sup>2</sup> See Albó et al. 1990.



**Table 2.1 Selected social indicators, 1970–94**

Indicator/year	1970–75	1988	1991	Latin America	
				1994	1994
<b>Population and employment</b>					
average annual population growth rate (%), periods 1976–88, 1988–92, 1992–94		2.1	2.2	2.1	2.4
growth rate of economically active population (%)	4.2	6.6	4.7		3.9
% economically active population formally employed	36.1	46.0	27.0		
<b>Health</b>					
total fertility rate (live births per woman)	6.5	5.0	4.8	4.8	3.1
under-5 mortality (per 1,000 live births)	172	148	118	116	52
maternal mortality in hospitals (per 100,000)	373	201	247		180
life expectancy (years)	47	57	59	60	69
population with access to health facilities (%)		21	32	30	72
population with access to safe drinking water (%)	34	44	47	53	80
<b>Education</b>					
adult illiteracy rate overall (> 15 years) (%)	36.8	26.0	23.0	23.0	15.5
adult illiteracy rate female (> 15 years) (%)	48.6	35.0	27.7	25.0	17.2
primary enrolment rate overall (%)	85.0	91.0	81.0	83.0	106
primary enrolment rate female (%)	76.0	85.0	78.0	78.0	94

Sources: CEDLA-ILDIS 1994, World Bank 1993, 1996, UDAPSO 1993.

Note: The enrolment rates are influenced by high repetition rates, and the decline in enrolment reflects declining repetition rates.

Before the 1952 revolution, there was a great mass of indigenous peasants, a working class (mainly associated with the mining sector), a small middle-class (composed of artisans, traders and professionals), and an oligarchy composed of large land and mine owners. After the revolution, this elite lost much of its land, and a new industrial and commercial elite emerged. The miners, together with those working in the transportation sector and the factories, constitute a modern, bilingual, educated working class. Nevertheless, it is still often claimed that Bolivia is in effect ruled by some twenty families with a network of ties in the economic, financial, political, juridical and military spheres.

There is a difference between the Western notion of land as a factor of production and the indigenous view of land as a 'mother', an ancestral site and a provider of goods. The traditional *ayllu* used to be a community living on a collectively owned unit of land in the Andean zone. While some land was used for common pasturing grounds, cultivable lands were rotated annually. The only privately owned land was that surrounding the

houses. After the Agrarian Reform, land was distributed permanently among the families of the *ayllu*. However, communal lands still exist in parts of the country (Potosí and Chuquisaca) (Johnsson 1986:26). Today a distinction can be made between regions in which the *ayllu* managed to survive and those that were occupied by haciendas during the colonial or republican periods. The word *ayllu* can apply to different organizational levels, varying from a community of 20–100 families sharing the same territory to 20–40 such (minimal) communities clustered in a larger village or urban area.

Every community member has an obligation to perform communal chores. There are also non-monetized forms of cooperation. Many changes and adaptations of these reciprocal systems are currently to be found due to the monetization of the economy, among other factors.

The *ayllu* has a highly developed system of positions and authority, which organizes both the community's domestic life and, on a broader level, its interaction with society at large. The communal assembly is the highest level of authority. Decisions are filtered through one or several assemblies; it is men who actively participate in these assemblies as representatives of the family. However, husbands and wives will confer together at home before the men reach an agreement (Harris 1980:73; Albó et al. 1990:48–49). The notion of the complementarity of the couple plays an important role in rural Andean communities (see section 9.1.3).

In spite of the fact that, since the Agrarian Reform of 1953, trade unions have replaced the former leadership structures, in reality in many communities the traditional system of authority coexists with the new trade union order. In many places the top authority is called the 'Secretary General', but this is often just a new name for the *jilaqata*, the traditional leader. During the 1970s an ethnic re-awakening swept the *Altiplano*, coinciding with the emergence of an indigenous Aymara movement.

Since colonial times, the indigenous population and their territories in the Lowlands have been drastically reduced as a result of the Spanish conquest, the furthering of the missions and the expansion of large cattle ranches, hostile encounters, the exploitation of petroleum and gas, the construction of railways and roads and the introduction of (agro)industry and mining. The March for Territory and Dignity in 1990 from the jungle to La Paz put the specific demands of the indigenous people on the agenda, and contributed to better mutual understanding among the indigenous groups of the Highlands and those of the Lowlands. As a result, supreme decrees granting land rights in the indigenous territories were signed, as well as a decree on the drafting of an Indigenous Law. The Ecological Pause for 1991–96 suspended new forestry concessions. Since then, many protected areas, such as national parks, have been recognized as indigenous territories.

While the Confederation of Peasant Workers (CSUTCB) represented the peasants from the Andes belt, the indigenous groups of the Lowlands were not organized at the national political level. At present almost all these groups have their own organizations, affiliated with their Union of Indigenous People and Communities of the East, Chaco and Amazonia of Bolivia (CIDOB). The most important demands of these groups are the consolidation of their territory, the use and usufruct of natural resources, the right to their own identity, language, culture and administration, and adequate social services. In order to make the state apparatus and the administrative system more responsive and adequate, a special Subsecretariat for Ethnic Affairs (SAE) was set up in 1993. Part of its mandate was to '... promote the integrated development of Bolivian men and women from an ethnic perspective' (Soto Sempértegui 1994:52–54). The Subsecretariat acknowledged that obstacles still exist to the effective participation of the indigenous population and to the improvement of their living conditions. Over half of the indigenous population do not have identification documents, and are thus excluded from their rights as citizens. Communal lands have no title deeds, linguistic barriers and low educational levels hinder the indigenous peoples' new involvement in their own development, while education is difficult due to the shortage of bilingual school teachers (Ministerio de Desarrollo Humano 1996:4–5,8).

## 2.4 Economy

During the 1960s and early 1970s there was a certain economic growth and stability due to large investments by the State in infrastructural projects and parastatal organizations. These investments, however, were financed by large foreign loans and led to an enormous foreign debt. As many investments, especially in the parastatals, did not lead to increases in output and productivity, Bolivia later faced difficulties in servicing its debts. The tumultuous and difficult transition from military rule to democracy (1978–82) was followed by a severe economic and monetary crisis (1982–85). After years of imprudent macro-economic management with severe external debt payment problems and historical hyperinflation (11,700%), exports collapsed in 1985 due to the fall in tin prices, while extreme drought and severe floods ravaged the rural areas (1983–87). A radical orthodox economic stabilization programme was initiated in August 1985 when the *Decreto Supremo 21060* introduced the New Economic Policy. This policy implied an economic shock therapy.

Three periods can be distinguished in Bolivia's structural adjustment programme: during the first period (1985–90) emphasis was placed on stabilization, liberalization and administrative and institutional reform programmes. This policy resulted in economic stabilization, including a stable currency and restoration of Bolivia's credit-worthiness.

On the other hand, the massive dismissal of state employees, especially miners (23,000), caused a great rise in unemployment and in urban marginalization. Many of the unemployed joined the ranks of the informal economy. The results of the first years of structural adjustment were below expectations. Three external factors had a negative impact: international tin prices continued to decline, causing a fall in export earnings; financing facilities were minimal; and a prolonged drought affected the agricultural sector and forced the country to import staple food.

The second period (1991–94) was characterized by a government policy geared to combating poverty. The ‘Social Strategy’ included investments in primary health care and education and paid attention to the needs of the most vulnerable social groups. At the same time the so-called economic ‘modernization’ programmes focused on increasing the efficiency of the financial sector, the privatization of small and medium-sized commercial enterprises, streamlining trade and registration procedures and improving the system for selecting public sector investment projects.

With the Enhanced Structural Adjustment Facility agreement in 1994, Bolivia entered the third stage of its structural adjustment programme. The programme went beyond economic aspects and dealt with processes of democratization, people’s participation and administrative and budgetary decentralization. More so than during the previous periods, the government’s programme was aimed at sustainable development and focused on human development.

The most striking gains of structural adjustment were in the external accounts and budgetary management: the inflation rate fell to single digit figures in real terms, official reserves increased, external arrears were cleared, the external debt overhang diminished and capital inflows increased. However, domestic savings and investments were below expectations and real economic growth per capita remained low. Income distribution remained skewed and poverty was as widespread as before. Employment generation was disappointing. Table 2.2 shows a number of selected economic indicators over the 1985–95 period, while table 2.3 gives a summary of the balance of payments over the same period.

Of the seven million Bolivians, about two and a half million constitute the economically active population. Sixty-three per cent of these work in the informal sector. The agrarian sector employs about 40% of the workforce and almost a third is employed in the commercial and service sector. The official minimum wage in Bolivia is US\$ 42 per month (1995), but many workers receive less.

The Gross Domestic Product (GDP) of Bolivia amounted to an estimated 39.1 billion bolivianos (Bs.; US\$ 7.8 billion) in 1996. The real growth in GDP was high in 1994

**Table 2.2 Selected economic indicators, 1985–95**

Indicator/year	1985	1987	1990	1992	1994	1995
% growth GDP	-1.3	2.6	4.4	2.8	4.6	3.9
per capita GDP (1980=100)	80.7	78.6	80.2	81.6	84.1	86.6
fiscal deficit (% of GDP)	7.7	7.8	4.3	4.7	3.2	3.2
inflation (consumer price index, % change)	11,749.6	14.6	17.1	12.5	7.9	10.2
imports cif (US\$ millions)	690.8	767.7*	962.7	1090.2	1279	1224
exports fob (US\$ millions)	628.3	542.4*	830.7	643.1	970	1041
trade balance (US\$ millions)	-62.5	-225.3*	-132	-447.1	-309	-183
savings and reserves (US\$ millions)	0.34	61.5	29.7	244.8	510.2	660

Source: Based on data Central Bank of Bolivia, World Bank, IMF and CEDLA-ILDIS.

\*Data 1988.

(4.6%), but fell to 3.9% in 1996. The distribution of GDP over the main sectors in 1996 was as follows: agriculture 16.3%, industry 35.4% (of which mining was 10.4% and manufacturing 18.5%) and services 48.3% (Economist Intelligence Unit 1997:5).

**Table 2.3 Summary of the balance of payments, 1985–95 (in US\$ millions)**

Items/year	1985	1988	1990	1992	1994	1995
Current account balance	-493.6	-490.5	-371.4	-627.5	-218	-294
Capital Account balance	522.3	314.5	394.5	532.6	208	216
Exceptional financing*	..	146.2	75.8	132.0	134	202
Change in reserves**	-28.7	29.8	-98.9	-37.1	-123	-124

Source: World Bank 1994; data 1994–95: IMF 1996.

\* Includes unpaid amortization, default and debt relief.

\*\* The balance of payments is always zero; the difference is the change in reserves; a negative figure indicates an addition to the reserves.

In the 1980s, the production of gold, silver, lead, lithium and zinc increased and mining continues to be important for its foreign exchange rather than for its share in the GDP or the number of jobs. Wells and fields used for the exploitation of petroleum and natural gas, as well as refineries and installations for gas production, are to be found to the south and southeast of the country (Chuquisaca, Tarija and Santa Cruz). Bolivia is self-sufficient in petroleum and exports gas. Income derived from the sale of gas has decreased during recent years, but it is still an important component in the generation of income through exports. In order to reduce dependence on the Argentinian market, new markets have been sought, particularly through an agreement reached on the construction of a new gas pipeline to the Brazilian city of Sao Paulo. The first gas delivery is expected by 1999. Non-traditional mining products such as semi-precious stones are gaining importance.

Bolivia's manufacturing sector is not very large and is mainly linked to the agricultural and livestock sector and to the mining sub-sector. Industry must contend with expensive credit, high import costs and strong foreign competition. The weak infrastructure, the small scale of the national market and the low purchasing power of the population are all structural problems facing the sector. Apart from mining there is little other heavy industry.

Bolivia's commercial banking sector is oligarchic, not very innovative and mainly oriented towards the national market. There are approximately 15 national and five international banks. Interest rates in real terms are high and saving rates are low.

The agricultural and livestock sector in Bolivia is characterized by its dualist nature: a traditional (or *campesino*) sector and the modern sector. The traditional sector can be found mainly on the Andes belt and the typical smallholder family cultivates one to three hectares and uses few external inputs. Here peasants tend to produce food crops with a relatively low yield. In the *Valles* plots are also small but tend to have higher yields, thanks to better soil and climatic conditions and higher investments in inputs. The modern agricultural sector is located in the fertile *Llanos*. It produces crops for processing and export, such as sugar cane, soya beans, rice and cotton, while extensive cattle raising is concentrated in areas less suitable for arable agriculture. During the 1990s, substantial private investments were made in large-scale soya bean production.

During the last decade the share of the agricultural and livestock sector in the national economy rose to above a billion dollars, fluctuating between 15% and 23% of the GDP. Until the 1950s, agricultural activity in Bolivia thrived almost exclusively in the Andean region. Since the sixties, there has been a diversification of crops, combined with a rise in the importance of the eastern region, which in 1996 accounted for approximately 40% of the land cultivated nationwide and produced 78% of the country's agricultural exports (mainly soya). The agricultural and livestock sector faces a number of problems, such as: no clearly defined role for the sector in national policies and strategies; an absence of guidelines for research and technological transfer; a lack of credit facilities, insufficient investment in the agro-industry, infrastructure and transport; and a small internal market with little purchasing power, combined with the landlocked position of the country. In addition, traditional agriculture has limited access to land and water.

The cultivation and use of coca leaves is part of the Andean culture and fulfils historically an important religious, cultural and social role in Bolivia. The area cultivated was expanded, especially during the 1970s, and is now linked to the processing of cocaine and the narco-trade. The cultivation of the leaf and also the production of cocaine are at present an important source of employment, in particular in regions where the leaf itself is

produced (Chapare). It is estimated that between 120,000 and 500,000 people work in the coca-cocaine chain. Many people are also involved in the trade in chemical inputs. The sector contributes substantially to the national income and to the accumulation of foreign exchange. Since a considerable part of the trade in coca and cocaine is illegal, estimates of the value of exports and the foreign exchange generated differ widely. They all, however, agree that it is a substantial sum. Nevertheless, its importance as a percentage of GDP seems to be on the decline.

One of the factors hindering the development of the Bolivian economy is the high cost of transportation due to the geography of the Andes and the way in which the population is scattered throughout the country. With the economy flourishing in the east, the mountains in the centre of the country form a large natural obstacle, in particular to rail and road transport. The two railroad systems, one connecting the *Altiplano* with Chile, Peru and the Pacific and the other connecting the east with Brazil, are not interconnected. The road system is the most important transportation channel. There are 41,000 kilometres of roads, although they are only partially paved and wear out rapidly because of intensive use, especially by heavy trucks. Air transport is widely used and there is an extensive network of airports and airstrips. In the Amazon Basin, river transport is common. Bolivia has the right to use a number of ports on the Pacific (Ilo, Iquique, Arica, Antofagasta) to transport its imports and exports.

## 2.5 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. The president of the republic wields the executive power, together with the ministers of state. The legislature consists of a National Congress, in itself composed of the Chamber of Senators and the House of Representatives, elected directly every five years. Bolivia has nine departments, each having a prefecture and a departmental council. The prefect, appointed by the president, wields the executive power and holds responsibility for the departmental administration. Departments are subdivided into provinces, provincial sections (municipalities) and cantons. At the local level, the municipality is the basic unit of administration.

Bolivian foreign policy in general has been determined by three major factors: internal political instability and economic underdevelopment, the country's geographical position and its dependency on external factors (e.g. fluctuations in the international markets such as tin) and the dominant influence of the United States of America (USA). Regionalism, cultural and ethnic differences, and political and economic dependencies have prevented

the country from formulating and enforcing a coherent foreign policy, rendering its foreign policy goals largely reactive. In the 1960s and 1970s, foreign policies were to a large extent conditioned by nationalist stances and the geopolitical logic of the military. Diplomatic isolation severely limited the room for manoeuvring for these military regimes. Since the revolution of 1952, Bolivia has received a considerable amount of US aid. In addition, it has been largely dependent on the US for finance and trade, making it susceptible to US influence (for details, see Morales 1984:176–85; Lavaud 1991:257–71).

Since the 1980s Bolivia has been reaching out to neighbouring states through bilateral and multilateral diplomacy and cooperative development agreements. The country has sought to emphasize functional cooperation through trade agreements, communications networks, and oil and gas contracts with the surrounding countries. New sources of foreign aid and capital have been mobilized to support the democratization process, institutional modernization and the restructuring of the Bolivian economy. One of Bolivia's strategies to enhance its opportunities for economic development and political protection lies in its efforts to participate in regional cooperation within the Andes Community, the Organization of American States (OAS) and the Rio group. Furthermore, Bolivia is a member of the United Nations Organization (UN), International Labour Organization (ILO) and the General Agreement on Tariffs and Trade (GATT). The recent association with Mercosur is another attempt to expand its markets by economic integration and to enhance its negotiating position in relation to the rest of the world.

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 restructuring of Bolivia's political administration was set in motion. President Sánchez de Lozada proclaimed 1994 as the year of Change for All, referring to a package of new laws such as reform of the political constitution and the Laws on Capitalization, Popular Participation, Administrative Decentralization and Educational Reform. The reform of the political constitution modified Bolivia's Constitution of 1967. Among other measures, the new Constitution recognizes the multi-ethnic and pluricultural character of the country, respects the social, economic, civic and cultural rights of the indigenous peoples, and the natural authorities within their communities. Likewise, municipalities were strengthened as a mechanism to decentralize both political and administrative tasks.

Under the Law on Capitalization the six most important state enterprises were capitalized.<sup>3</sup> The most striking reforms implemented by the government of Sánchez de Lozada

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<sup>3</sup> Capitalization aims to improve the viability and performance of state enterprises, with investments made by the private sector (either national or foreign) having similar or greater value than the value of what the enterprise is worth on the market, in exchange for the transference of 50% of the company's stock.



are the Law on Popular Participation and the Law on Administrative Decentralization. These imply a change in the relationship between the state and civil society, a new dynamic in the distribution of resources and in the management and participation of grassroots organizations and state intervention at a municipal level; they change the rules and methodologies for international cooperation, NGOs and popular organizations, as well as their interrelations.

The Law on Popular Participation of 1994 is considered the most important of these reforms because it has created a new power structure at the local level, thus granting more power to the municipalities themselves. The principal measures established by this Law are as follows:

- 311 territorial municipalities have been created, each of which coincides with a section of a province. The central administration has transferred tasks to the municipal governments in a number of areas, including education, health, culture, sports and infrastructure (roads, small-scale irrigation).
- On the basis of the number of inhabitants, initially 20% of national resources were allocated to municipal governments (co-participation). Furthermore, municipal governments may generate their own funds through the collection of taxes levied on rural property, urban dwellings and automobiles. They can define the use of these funds in their own annual plan of operations.
- Communal organizations, peasant trade unions and territorial organizations were granted legal status; thus popular participation has become institutionalized and legalized.
- In each municipality, vigilance committees have been created, integrated by representatives of each canton or district in the municipality and selected by the community or by the corresponding neighbourhood association. The committee monitors the investment of municipal funds. If it discovers that the municipal government has been making improper use of its funds, it has the authority to report this to the Senate and, if necessary, the Senate can suspend the tributary share flow to the municipal government.

The Law on Administrative Decentralization refers to the decentralization of administration from the executive power to the departmental level. Under the Law the prefect is the head of the departmental administration. The Law dissolved the Regional Development Corporations, whose resources were transferred to the department under the management and responsibility of the prefect.

Frequently, policies showed some discontinuities due to changes of government and the organization of public administration.

## 2.6 The departments of Potosí and Cochabamba

The regional focus of the study was on the departments of Potosí and Cochabamba.<sup>4</sup> Potosí is one of the country's largest but poorest departments. It has a low population density (some 650,000 inhabitants in 1992) and a low degree of urbanization. The department is faced with net out-migration. The greater part of its territory is located in the *Altiplano* and is extremely arid and dry. Potosí's economy is underdeveloped and the prospects for future development are very low. The road and rail network has been quite neglected.

Cochabamba is the third largest department in Bolivia in terms of population (1,100,000) and the scale of its regional economy. Almost 50% of its population is still rural. The department presents a range of physiographic zones with an outstanding variety of natural resources. Its central location and road infrastructure connect it with the rest of the country. Chapare, the centre of coca leaf production, has been a colonization region since the sixties. Cochabamba's per capita GDP was US\$ 870 in 1992 while Potosí's was US\$ 443.

In both departments, the rural population depends on the agriculture and livestock sector for its basic subsistence, but the sector has a shortage of productive infrastructure, and land and water are scarce. In Potosí, the peasant population depends on the production of tubers and *quínoa*, and the breeding and extensive pasturing of llamas and alpacas. Cochabamba is regarded as a food supplier for Bolivia's main cities. It has also managed to develop its industrial and service sectors.

In the past Potosí was renowned for its mineral resources, mainly silver and tin. Ageing and technological wear and tear, plus a fall in the prices of these important minerals, led to a serious crisis in the mining industry. At present Potosí is a department with an extremely weak productive base and a highly fragile economy. Cochabamba produces some non-metallic minerals of national importance, but mining in general has no great significance in this department. Cochabamba has a developed and relatively diversified industrial sector, which has a tendency to increase or at least maintain the gross added value. The industrial sector in Potosí shows a decline in its share of departmental GDP.

In both departments, the service sector is of crucial importance, employing most of the economically active population. In Cochabamba, commerce, transport, storage, construction and services such as restaurants, etc. display a significant growth in the gross value added. In contrast, in Potosí construction is the only sub-sector with a clear upward tendency, heavily influenced by a number of ongoing road-building projects. Public

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<sup>4</sup> The following section is mainly based on the document '*Estudios regionales Potosí—Cochabamba*', drafted for the IOB by Rafael E. Rojas L.

investment in Potosí has been low until recently, while Cochabamba has attracted a significant proportion of national public investment over the years.

In spite of its relatively advanced development, a great proportion of the (rural) population of Cochabamba still lives in poverty. This situation is considerably worse in Potosí, especially in the north and west. According to the Poverty Map (quoted in CEDLA/ILDIS 1994), 83% of the population of Potosí is regarded as poor, a figure that rises to 96.8% in rural areas. In Cochabamba, the poverty level is 69.6%. As for health, education and quality of life, Potosí compares with the poorest countries in the world. Social public investment in Potosí represents only a small share of national investment, while since 1992 Cochabamba has managed to attract a larger share of national resources.

With respect to the education sector, Cochabamba reflects the national average. Although significant advances have been made, in general the gap between urban and rural areas has not disappeared, nor has the even wider gap between men and women. The same is true for Potosí, where the level of education is deplorable for the entire population. In the housing and basic services sectors, rural–urban differences are again quite marked. In the department of Cochabamba, a large percentage of the population has electricity, drinking water and sewage facilities. In Potosí, only 11% of the inhabitants in rural areas have access to electricity and 17% to water supply. Erosion and the loss of fertility in the soil, deforestation, water contamination (by mining) and the indiscriminate use of pesticides and other harmful agricultural inputs are the most common environmental hazards to be found in both departments.

Cochabamba has many public and private institutions that are relatively effective. Potosí has a comparatively less developed institutional framework. There are currently 82 registered NGOs in Potosí, while in Cochabamba their presence is much stronger, with approximately 200 NGOs.



## 3 Relations between the Netherlands and Bolivia

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### 3.1 Historical relations

Since 1492 foreign powers have exercised considerable influence in South America. Colonial Spain was succeeded by commercial Great Britain in the nineteenth century as the dominant European force in the region. In the twentieth century the United States became the dominant foreign power in the hemisphere. The Dutch have always played a minor role in the region. Until the nineteenth century, the direct involvement of the Low Countries in South America was largely confined to trade (often in the form of slaves and illegal merchandise). Only in the twentieth century has the scope of structural relations between the Netherlands and this continent started to broaden and deepen because of overseas investment, interstate collaboration, trade, transport, communication and civil society contacts.

During the Latin American wars of independence at the beginning of the nineteenth century Simón Bolívar was supplied with money and weapons by Dutch merchants via Curaçao. Several hundred Dutchmen joined the fight against the Spanish. This, and the example set by the Dutch provinces at home two centuries earlier in liberating themselves from the Spanish, enhanced the image of the Netherlands among the young republics in South America. The Dutch king William I tried to capitalize on this mood by setting up the Holland Trade Association (NHM). Its involvement in Latin America was a failure, however. The Low Countries maintained a commercial interest in South America, but it was not until the 1880s that coffee from Brazil and grain from Argentina gave a real impulse to trade and shipping activities. Royal Dutch Lloyd ran steamers to Latin America and the Rotterdam–South America Line was established. In 1914 the Holland Bank for South America was founded (Balen 1950:118–19).

In the late nineteenth century, and especially after 1914, the tin mining industry in Bolivia began contracting Dutch mining and chemical engineers from Delft (Arzans 1965:321). The Netherlands also provided machinery and the technology and experts to install and maintain it. Dutch engineers were also involved in operations in Chile and Peru at the

start of the twentieth century, and they and their families established a Dutch enclave on the Andean plateau in the frontier between Bolivia, Peru and Chile (IJken 1994:13). Van Balen speaks of a very important Dutch colony with the Bolivian mining town of Oruro at its centre. During World War II, the Dutch community was largely replaced by North Americans (Balen 1950:306).

### **3.2 Diplomatic and political relations**

#### *Diplomatic relations*

During the nineteenth century the Netherlands confined its diplomatic contacts with the newly formed Latin American states to a minimum. To promote commercial relations, a series of honorary consulates were established in most Latin American countries, initially in the major ports. In Bolivia the first consulate was opened in La Paz in 1862. Dutch consulates were also opened later in Uyuni (1907–8), Oruro (1909) and Sucre (1918–26). Bolivia, for its part, established consular offices in Rotterdam (1877), Amsterdam (1908) and Maastricht (1937). A trade agreement was concluded in 1929, but did little to boost trade.

Bolivian–Dutch diplomatic relations were given an impulse in the 1940s. The Netherlands was forced to give up its policy of neutrality. The Dutch government in exile took an interest in establishing diplomatic relations with states that had previously been beyond its political horizons. The Netherlands proposed co-accrediting its representative in Buenos Aires, who became the first diplomatic representative of the Kingdom in Bolivia in June 1941. As a counter gesture, the Bolivian government appointed its diplomatic representative in London as *chargé d'affaires* with the Dutch government in 1943.

In 1945 the Dutch had honorary consulates in La Paz and Oruro. An honorary consulate was opened in Cochabamba in 1958. In 1946 the residence of the Dutch legation to Bolivia was transferred from Buenos Aires to the Peruvian capital of Lima. In 1951, under the direction of the Dutch envoy in Lima, the Dutch consul in La Paz was appointed head of a diplomatic chancellery in the function of *chargé d'affaires*. He remained in this function until 1958. His successor was appointed ambassador in 1961, after the Netherlands and Bolivia agreed to upgrade their diplomatic relations to the highest level. After 1962, Dutch representation in La Paz was alternately headed by different *chargés d'affaires* and administrative officials. Reports from this post do not indicate intensive Dutch involvement in Bolivian affairs. Documentation is largely confined to regular reports on the economic and political situation in the country.

In general, Bolivian–Dutch diplomatic exchanges were confined to a minimum after World War II, while trade also lagged behind that between the Netherlands and other

countries in the region. Neither country seemed inclined to take the initiative to strengthen mutual bonds. No agreements were concluded in any areas until the 1960s. The fact that the Bolivian political climate in these years was generally characterized by instability may partly explain this lack of activity. Bolivia had no consistent and cohesive foreign policy with respect to Europe or the Netherlands, with which it traditionally had not maintained intensive relations. The low democratic standard of many post-war Bolivian governments made it unattractive for the Netherlands to seek rapprochement. In 1969 an agreement was concluded on the deployment of Dutch SNV volunteers in Bolivia. In 1973, the residence of the diplomatic representative with the Bolivian government was moved to Lima, by co-accreditation of the Dutch ambassador in Peru. In 1974 the chancery in La Paz was closed, but the La Paz consulate was upgraded to a consulate general in 1975.

Bolivia's human rights record reached an abysmal low under the regime of General García Meza, who seized power in 1980. Together with the European partners the Netherlands did not recognize the new government and suspended diplomatic relations. They were restored after the installation of a democratic government in 1982. In the second half of the eighties relations became closer when the Dutch decided to support democratization and the structural adjustment process and increased its Official Development Assistance (ODA) to Bolivia. This involvement was reflected in the opening of a development cooperation office in La Paz in 1988 and its subsequent upgrading to a full embassy under a *chargé d' affaires* in 1993 and, since 1997, under an ambassador. A Dutch honorary consulate was established in the city of Santa Cruz de la Sierra in 1988.

After World War II, it took some time before the Bolivian diplomatic representation in the Netherlands became structural. The first emissary was appointed in 1947. The Bolivian ambassadors to the Dutch government reside in London. In 1991 Bolivia opened a diplomatic chancellery in the Hague, which is headed by a *chargé d' affaires*.

The number of visas issued by the Netherlands representative in Bolivia in the 1983–90 period was between 10 and 22 annually and these were meant for non-Bolivians or students wanting to stay for more than three months (authorization for temporary sojourn).<sup>5</sup> For other Bolivians there was no visa obligation. On 1 October 1990 the visa obligation was reintroduced and the number of visas issued has averaged nearly 300 per year. Since 1988 no asylum requests have been made, while in the period from 1980–87 eleven such requests were made. There are no reliable figures on the number of Dutch tourists to Bolivia. Emigration from the Netherlands to Bolivia and vice versa has been modest.

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<sup>5</sup> Information provided by the Ministry of Foreign Affairs.

***Bilateral agreements, visits and consultations***

There are a limited number of bilateral agreements between the Netherlands and Bolivia. These include a trade agreement (signed in 1929), an agreement on the abolition of visas (1961; visa obligations were reintroduced at the Benelux level in 1990) and an agreement on the promotion and reciprocal protection of investments (1992). All other bilateral agreements relate to development cooperation, such as the SNV (1969 and 1992), technical cooperation (1989) and a number of administrative arrangements concerning individual projects. A number of multilateral agreements between the European Union (EU) and Bolivia also involve the Netherlands. There are no cultural and aviation agreements with Bolivia, nor is there an agreement on the evasion of double taxes.

Official Dutch visits to Bolivia have all taken place within the framework of development cooperation. Three successive ministers for development cooperation have visited Bolivia. Minister Schoo went in 1986, at the start of the newly formed Andes Programme. In 1988 Minister Bukman officially opened the Development Cooperation Office in La Paz. In 1995 Minister Pronk made an official trip to Bolivia. In 1996 a Dutch delegation assisted the Sixth Institutionalized Ministerial meeting of the EU and the Río Group in Cochabamba. In 1996, Bolivian President Sánchez de Lozada came to the Netherlands. During his stay a meeting was organized with representatives of the Dutch business community.

Regular bilateral consultations between the Netherlands and Bolivia are limited to development cooperation but Dutch aid has also touched upon broader political and societal issues in Bolivia, such as democratization, women's emancipation and trade union movements. Dutch-funded development activities have also supported the case of ethnic minorities and contributed to getting environmental issues on the government agenda. Few diplomatic demarches have been carried out, except to enlist support for international appointments and in relation to the human rights situation in the early 1980s. The human rights issue eventually became such a severe obstacle that diplomatic relations were suspended between 1980 and 1982. There is no evidence of military or security considerations in Dutch relations with Bolivia.

Bolivia is only incidentally mentioned in parliamentary records. Most references occur within discussions on development programmes, such as health care in the Andes region (1991), medicine exports (1991) and food security (1996). The human rights issue came up in 1980, after the military coup by General García Meza (see below). The role of Fokker aeroplanes during this coup was raised in Parliament in 1981. The Minister of Foreign Affairs replied that there were no indications that the Fokkers had been used in the coup or had ever performed military tasks. The Fokker deliveries had never been



considered as military exports, even though they were characterized as 'dual-use' and provided to the military airline Transportes Aéreos Militares. Bolivia was also mentioned in relation to the drugs issue. In 1991 Parliament questioned the efficiency of the Bolivian judicial system. The Minister of Foreign Affairs replied that he would discuss the issue with the Bolivian government and was also willing to contribute to the strengthening of the Bolivian legal system.

Only in the 1982–83 edition of the Ministry of Foreign Affairs Yearbook is Bolivia mentioned with respect to the democratization process and the normalization of diplomatic relations. In the Explanatory Notes to the National Budget Bolivia is mentioned more often, but almost exclusively within the context of development cooperation.

### ***Human rights***

The Netherlands government and the general public have been concerned about the human rights situation in Bolivia since the 1970s (see section 2.1). Dutch representatives have submitted reports on the main human rights violations in Bolivia. Their assessment of the situation was not very critical, however, and there was a certain degree of acceptance if not a lack of sensitivity. In line with the opinion of other European countries, as reported to the European Commission, 'the situation [in the 1970s] was seen as improving because more respect was paid to human rights than in other Latin American countries and liberalization measures (such as amnesty for political prisoners and exiles) were thought to lead to civil unrest and could wipe out the very real progress in recent years'. With the benefit of hindsight one could conclude that the factual character of these assessments was very tenuous.

In the late 1970s the repression in Bolivia was considerable, but it was emphasized again that the situation was improving and that violations in Bolivian were neither the most extensive nor the most distressing compared with neighbouring countries. The Bolivia Committee and the Pacific Socialist Party asked the Netherlands foreign minister not to recognize the military government that took power after a coup in July 1978. The minister replied that he saw no reason to suspend diplomatic relations with Bolivia, which would have prevented the Dutch government from promoting the observance of the human rights.

Questions were asked in Parliament about the coup by General García Meza in July 1980. The Dutch government strongly condemned the coup and expressed its indignation at the brutal action taken against the civilian population. Further questions were asked to the effect of breaking all contact with the new government and of promoting an investigation

of the actual situation by the UN Commission on Human Rights. The government was also asked whether it was prepared to receive refugees. The government stated that it was prepared to take any requested action. Together with Sweden, the Netherlands took the initiative to sponsor a draft resolution on human rights in Bolivia in the 35th General Assembly of the United Nations, in which the Bolivian authorities were urged to respect human rights and fundamental freedoms, and the UN Commission on Human Rights was requested to review the situation in Bolivia and to consider taking actions. This resolution was adopted. The Netherlands also suspended its diplomatic relations with the country.

In the meantime the situation in Bolivia attracted a great deal of attention from action groups, labour unions and public opinion in the Netherlands, partly due to a visit by activist and miner's wife Domitila Barrios de Chungara, who had meetings with the parliamentary Permanent Committee on Foreign Affairs and the Ministry of Foreign Affairs. There was also a high-level fact-finding mission to Bolivia, which reported to the Minister of Foreign Affairs. The killing of political and union leaders in January 1981 led to new questions in Parliament and reactions from unions and action groups. The government replied that it would ask the UN Commission on Human Rights to include investigation of these killings in its planned fact finding mission.

During the governments of Paz Estenssoro and Paz Zamora, there were concerns regarding the frequent declaration of martial law, the arrest of opponents of the regime and the application of standard juridical procedures in the case of those who allegedly had violated the law. Amnesty International reported extra-judicial executions by security forces and complained about the lack of progress in the investigations and reporting by the government. In the Netherlands, interest also grew regarding the territorial rights of indigenous groups, while Parliament raised the issue of the situation in Bolivian prisons, especially regarding incidents of torture, corruption and unlawful detention. Under the government of Sánchez de Lozada, a programme of judicial reform was started but did not produce many tangible results.

In general the human rights situation is considered to have largely improved in recent years, compared with the 1980s. The declaration of martial law by the Sánchez de Lozada government in 1995 as a response to social protest against government reforms was reason for some concern among the European partners, but was not considered completely inappropriate under the circumstances, nor involving serious violations of human rights. Moreover, the procedure followed had been deemed lawful and according to democratic rules.

### **3.3 Commercial relations**

#### *Trade*

Commercial relations with Bolivia have taken the form of trade in goods, services and licenses, and of direct investments and loans. Bilateral trade, however, is very modest. In 1995 Dutch commodity exports to Bolivia amounted to Dfl. 9.9 million and imports from Bolivia to Dfl. 28.6 million.

Bolivian public sources on commercial relations are scarce and statistical reporting is imprecise, partly due to illegal imports.<sup>6</sup> Also trade statistics in the Netherlands are difficult to interpret, since most imports from Bolivia are commodities in transit. A sizeable percentage of Bolivian exports to the Netherlands consisted of intra-consortium trade by partly Dutch-owned enterprises (as was probably the case for Unilever and Billiton). The lion's share of commodity exports to Bolivia in the 1980s constituted balance of payments support.

GDP in the Netherlands is about 70 times that of Bolivia. Bolivia's comparative purchasing power and productive capacity are very low. Geographic difficulties and problems of transport, the informal nature of much production, socio-cultural differences and the weakness of state institutions add to the obstacles for the establishment of swift and reliable business links. Furthermore the social unrest, high interest rates, lack of information, tariffs and taxes do not foster a very good investment climate (see Meer 1996). Finally, the banking system shows weaknesses.

Trade with Bolivia accounts for only an extremely marginal percentage of total Dutch foreign trade. Over the years import and export figures have varied considerably, but they have always remained insignificant by any standards. The first quadrant of table 3.1 gives an overview of the trade in goods in five year intervals since 1975. Imports from Bolivia show an upward trend towards the end of the period. Exports, however, are at a lower level than in 1975. The balance of trade over 1986–95 showed an average deficit of Dfl. 1.2 million annually. However, over the last three years this has amounted to about Dfl. 16 million per annum. The overall balance of payments as registered by the Netherlands Central Bank, including goods, services and financial flows, also shows a deficit for the Netherlands. Over the period 1986–95 the annual deficit was on average about Dfl. 35 million.

The small volume of trade between the Netherlands and Bolivia is also evident when compared with that with Chile, Central and South America as a whole and Sweden at

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<sup>6</sup> *Presencia*, 8/9/96 estimates legal imports at US\$ 1,200 million and undeclared imports at US\$ 800 million.

five-year intervals since 1975 (see table 3.1). The trade (imports plus exports) between Central and South America as a whole and the Netherlands accounts for just 2% of total Dutch trade and is lower than Dutch trade with Sweden. Trade with Bolivia, in turn, is only 0.3% of that with Sweden. EU countries in general are not very important trading partners for Bolivia.

**Table 3.1 Dutch trade with several countries, 1975–95 (in Dfl. thousands)**

	Year	Import	Export	Total
<b>Bolivia</b>	1975	1,891	13,438	15,329
	1980	35,639	30,290	65,929
	1985	3,440	28,263	31,703
	1990	11,743	10,823	22,566
	1995	28,633	9,845	38,478
<b>Chile</b>	1975	122,959	26,128	149,087
	1980	276,685	101,687	378,372
	1985	284,995	78,169	363,164
	1990	443,995	117,770	561,765
	1995	511,895	285,694	797,589
<b>Central and South America</b>	1975	2,709,873	2,115,561	4,825,434
	1980	5,347,924	2,459,315	7,807,239
	1985	9,052,736	2,679,726	11,732,462
	1990	5,917,255	2,497,415	8,414,670
	1995	7,776,217	4,473,764	12,249,981
<b>Sweden</b>	1975	1,716,288	1,895,534	3,611,822
	1980	2,824,146	2,579,750	5,403,896
	1985	4,087,947	3,744,462	7,832,409
	1990	4,963,900	4,296,175	9,260,075
	1995	6,570,235	5,805,706	12,375,941

### *Dutch companies in Bolivia*

Information on the activities of Dutch companies in Bolivia was rather difficult to obtain. Some multinational enterprises do not regard their activities as bilateral commercial relations, since they are managed by regional offices.

Over the last three decades, Dutch corporations have become important investors and employers in many Latin American countries. For instance, in 1990, investments by Dutch companies in Latin America amounted to more than ten billion guilders (IJken 1994:12). However, few Dutch investments could be identified in Bolivia, since many commercial activities had been performed in the past and some larger companies had withdrawn from Bolivia. Recent investments by Dutch enterprises are of modest financial importance.

### ***Instruments for trade and investment promotion***

Generic and specific policies and instruments that are relevant to commercial relations with Bolivia are described below. At the multilateral level the influence of the Netherlands on Bolivia is only indirect. The Dutch position and policies in these multilateral fora merit further attention but fall outside the scope of this study. Some institutions such as the World Bank, the Inter-American Development Bank (IDB) and the EU have developed specific trade and investment instruments. Quite recently the EU established the Eurocentre for Business Cooperation with the Santa Cruz Chamber of Industry and Commerce to strengthen the relationship between European and Bolivian business and to promote various specific business cooperation programmes. In general, Dutch companies use these facilities only to a very limited extent.<sup>6</sup>

Bilateral instruments include trade agreements, agreements on encouragement and reciprocal protection of investments, etc. Such arrangements are increasingly being displaced by multilateral treaties because of the Dutch membership in the EU. For instance, in the 1990s Bolivia wanted to renew the 1929 trade agreement with the Netherlands. This was not done on the grounds that bilateral trade was very modest and the EU regime did not permit bilateral trade agreements between Bolivia and individual member states. In the future, economic agreements and collaboration between regional blocs, the EU and Mercosur for example, may become increasingly important.

Specific bilateral instruments as valid in 1996 are listed in table 3.2. The table also shows whether they have been applied or used in connection with Bolivia. Very few of the instruments mentioned in the table have actually been applied. Several of the institutions contacted expressed a lack of interest in Bolivia. This was also the case for all of Latin America according to the Confederation of the Netherlands Industry and Employers (VNO/NCW), the leading employers' federation in the Netherlands. This organization does not collect business information on Bolivia, as they do for many other countries. On the other hand, trade missions were organized by the Netherlands Centre for Trade Promotion (NCH) in 1994 and 1996. They were seen as an impulse for the further development of bilateral trade relations.

Some trade with Bolivia has resulted directly from Dutch development cooperation. This has taken the form of commodity supplies, while a number of companies have been involved in the preparation, implementation and evaluation of development activities. A number of Dutch universities are also involved in implementing projects. Under the development cooperation budget a number of activities are funded that are important to

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<sup>6</sup> Based on information provided by International Management IMC Nederland B.V., Breda.

the private (business) sector in Bolivia, such as the Netherlands Development Finance Company (FMO, loans and technical assistance), Netherlands Management Consultancy Programme (PUM), the Centre for the Promotion of Imports from Developing Countries (CBI), the Development-Related Export Programme (ORET) and the Environment and Economic Self-Sufficiency Programme MILIEV). But the application of these instruments in Bolivia is fairly limited. Useful as these initiatives may be in themselves, they have not yet led to significant relationships that are separate and independent from development cooperation.

**Table 3.2 Institutions and instruments for trade and investment promotion**

<b>Institutions</b>	<b>Instruments for trade and investment promotion</b>	<b>Application or use with respect to Bolivia</b>
Directorate General of Foreign Economic Relations of the Ministry of Economic Affairs	Latin America policy Bolivia country policy country reports/orientation information file documentation PESP (Economic Cooperation Projects Programme) BSE and ROF Matching Fund	in progress not available not available not available hardly used  not used not used, not applicable
Netherlands Foreign Trade Agency EVD	EVD Information Centre	rarely used
Ministry of Foreign Affairs	Latin America policy* Bolivia country policy	not available not available
Embassy La Paz	trade information and documentation	some 20 requests monthly
Consulates Cochabamba and Santa Cruz	information and advice	
Ministry of Agriculture, Nature Management and Fisheries	agricultural attachés trade and promotion missions	not available not used
Chamber of Commerce	information, advice, missions, support	not available
Netherlands Centre for Trade Promotion NCH	information, advice, missions and conferences	trade mission 1994 and round table conference trade mission 1996 investment conference 1996
Netherlands Credit Insurance Company NCM	short-term insurance only on the basis of irrevocable letters of credit. Negligible since 1990	for mid-term credits, no coverage, no transactions since 1980

\*In 1997 a policy document on the Mercosur was published.

### **3.4 Private, non-commercial relations**

Dutch religious groups have long been involved in missionary activities in Bolivia. In 1995 the Dutch province of the Augustinian Brotherhood was presented the highest state decoration, the *Cóndor de los Andes*, for its contribution to Bolivian society over a period of 65 years in the country.<sup>8</sup> The Augustinians had received permission to establish missionary activities abroad and selected Bolivia as the starting point for their missionary work in 1930.

The Augustinian presence in Bolivia reached its height at the end of the sixties. In those days some 30 Dutch fathers lived at different locations in the country. They engaged in activities in La Paz, where they established their headquarters. In Cochabamba, they founded the *Colegio San Agustín* and later the Technological Institute (IT). The latter institution attracted a large number of volunteers from Holland and was the springboard for SNV's presence in the country. In the Yungas they started an agrarian training centre on the Lavi Grande estate. In Chulumani the Augustinians established a small domestic science school. Later, SNV associates were involved in those projects. Some 30 Bolivians were offered the opportunity to study in Holland under the aegis of the Brotherhood. Later the financing of these exchanges was taken over by the Netherlands Fellowships Programme. The Augustinian presence is now confined to eight Dutch fathers and eight Bolivians who professed to the Brotherhood. During their long stay in Bolivia the Augustinians have laid an important cornerstone for Bolivian–Dutch bilateral relations.<sup>9</sup>

Privately financed initiatives with a basic humanitarian or development objective have gained great momentum over the years. Today many Dutch non-governmental organizations are engaged in activities with Bolivian counterparts, including churches, labour unions, and a wide variety of solidarity organizations. These contacts have involved not only the exchange of funds and information but also cooperation in the educational, political and cultural fields. The activities of these Dutch organizations have been directed at three levels: the Dutch public (awareness and fund raising), the Dutch state (lobbying) and Bolivian counterparts (financial and technical support) or a combination thereof. Annexe 3 gives an overview of Dutch civil societies and their activities in Bolivia. The annexe shows that the policies, objectives and approaches of these non-governmental organizations vary considerably. In this sphere, resources generally flow from the Netherlands to Bolivia. Involvement of Bolivia's civil society in Dutch affairs has been almost non-existent.

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<sup>8</sup> Based on an interview with Mr J.W. Saelman, member of the Brotherhood, who lived in Bolivia from 1955 to 1970.

<sup>9</sup> Further information on the experience of the Augustinians in Bolivia can be obtained from the Katholieke Documentatie Centrum (KDC) in Nijmegen.

### 3.5 Cultural and academic relations

To strengthen the bonds with South America, the *Nederlands-Zuidamerikaans Instituut* (Institute for Latin America, ILA) was founded in The Hague in 1932. In 1951 the Institute for Spanish, Portuguese and Ibero-American Studies (presently part of the Department of Romance Languages and Cultures) was established at the State University of Utrecht. In 1966 the Interuniversitarian Centre for Latin American Research and Documentation (CEDLA-Holland) was opened in Amsterdam. In Utrecht this was followed by the founding of the Centre for Caribbean and Latin American Studies. In 1984 the Institute of Latin American Studies was founded at Leiden University. The Royal Tropical Institute (KIT) is active in the field of international cooperation through various programmes, including research. The KIT coordinated the Research Programme on Development Strategies in the Andes (PIED Andino). It has a large collection of literature on Bolivia, and on several occasions the institute has spotlighted Bolivian culture. The San Simón University in Cochabamba received assistance through a university cooperation programme.

A number of cultural initiatives between Bolivia and the Netherlands have been funded under the development cooperation budget (Co-financing Programme, Culture Programme, Communication Programme, the Small Embassy Projects Programme [KAP]). At present a children's museum is being built with Dutch support. The Ministry of Education, Culture and Science is not involved in activities in the field of cultural cooperation with Bolivia,<sup>10</sup> neither is there a cultural agreement between Bolivia and the Netherlands.

Media coverage of Bolivian affairs in the Netherlands is relatively limited. In view of Bolivia's protagonist role and adherence to the Washington agenda, some attention was given to issues related to the debt crisis and structural adjustment. The most outstanding item on Bolivia in Dutch press releases in recent years were the coca/cocaine issue and the position of the indigenous population. The fund- and consciousness-raising activities of NGOs has highlighted the poverty and misery in which the majority of Bolivians are living.

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<sup>10</sup> Correspondence with the Ministry of Education, Culture and Science, 30/8/96.



## 4 Foreign aid to Bolivia

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### 4.1 International aid to Bolivia

Bolivia has been a recipient of international development assistance since the 1950s, but it is only since the 1980s that the Bolivian government has presented its policies, programmes and financing requirements to the donor community during the annual meeting of the Consultative Group organized by the World Bank. Bolivia's National Development Council (CONADE), comprising the ministries and secretaries most involved, defines and coordinates the development policies of the government. The Ministry of Finance establishes the overall need for external finance. The prioritized projects must be registered in the National System of Public Investment. Those projects requiring external assistance must be submitted to the Secretariat of Public Investment and External Financing (SIPFE),<sup>11</sup> which determines whether they are eligible for financing. If eligible, the approved programmes and projects are incorporated into the public budget.

Since the 1970s, net disbursements of Official Development Assistance (ODA) have averaged over US\$ 300 million per annum. During the period 1990–95 they exceeded twice that amount: on average US\$ 650 million per year. In 1991 Bolivia received the most aid granted in a single year: US\$ 740 million. International aid decreased during the García Meza dictatorship, but recovered immediately after democracy was restored (1982), mostly in the form of bilateral grants. During the mid 1990s it was more difficult for Bolivia to attract foreign aid due to stricter conditions attached to aid by some donors, for instance the certification required by the USA.<sup>12</sup> During 1996 and 1997 donor support increased again. Table 4.1 presents an overview of total ODA to Bolivia since 1970.

The United States was the most important source during the 1950s and early 1960s, enabling over 90% of Bolivian public investments (Lavaud 1991:263). During the 1970s the

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<sup>11</sup> Under the 1997 government, the secretariats have become vice-ministries and SIPFE is now called VIPFE.

<sup>12</sup> The President of the United States 'certifies' an illicit drug-producing or transit country as eligible to receive US foreign aid and, under certain circumstances, trade benefits, if it cooperates on international narcotics control issues (US Anti-Drug Abuse Acts of 1986 and 1988).

**Table 4.1 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.

United States still provided 58% of all bilateral aid. When democracy was restored, other bilateral donors started to pledge resources, such as Japan, Germany, the Netherlands, Belgium, Switzerland and Sweden, followed in later years by Canada, Italy, Spain and the United Kingdom. Multilateral donors made more resources available once the structural adjustment programme was introduced in 1985. Table 4.2 presents the ODA according to donor category.

**Table 4.2 ODA to Bolivia by donor category, 1970–95 (in US\$ millions)**

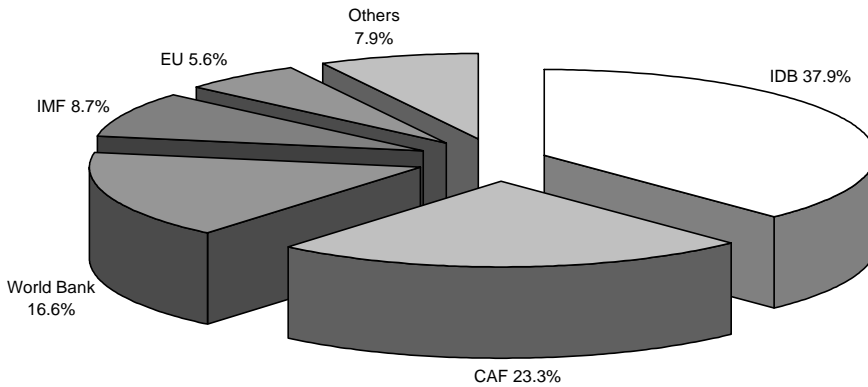
Donor category	1970–79	1980–89	1990–95	Total	% of total
<b>Bilateral aid</b>					<b>58.7</b>
United States	330.0	720.0	556.1	1,606.1	32.6
Germany	117.2	288.0	498.6	903.8	18.3
Japan	51.7	387.8	443.8	883.3	17.9
The Netherlands	9.3	112.9	251.7	373.9	7.6
Others	63.0	458.3	643.9	1,165.2	23.6
<b>Total bilateral aid</b>	571.2	1,967.0	2,394.1	4,932.3	100.0
<b>Multilateral aid</b>	436.1	1,501.5	1,525.9	3,463.5	<b>41.3</b>
<b>Total</b>	1,007.3	3,468.5	3,920.0	8,395.8	

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

Note: Data on Dutch disbursements were derived from the data base used for this study.

Overall, ODA to Bolivia consisted of approximately 55% loans and 45% grants, though the latter showed a decreasing trend. Most loans were provided on concessional terms by the World Bank, the Interamerican Development Bank (IDB), the International Fund for Agricultural Development (IFAD), Germany, Italy, China and others. Credits from the Investment Corporation of the Andes Pact (CAF), the Development Fund for the Río de la Plata Basin (FONPLATA) and Spain were somewhat less preferential but still more favourable than market conditions. The IDB, the CAF and the World Bank were the major

lenders. Graph 4.1 shows the five largest multilateral donors, which together accounted for over 92% of the multilateral aid during the period 1990–95.



**Graph 4.1 Multilateral aid, 1990–95**

The IDB supported the improvement of social services (about 15% of its portfolio), and the balance was destined for export-oriented economic development such as transport (roads) and the hydrocarbon sector. The CAF focused on the private sector and financed mostly multisectoral projects and investments in the transport and energy sectors. The World Bank contributed to the social sectors (the Social Investment Fund, health and sanitation programmes, educational reform) and economic development (structural adjustment, transport, export-oriented agriculture). The World Bank has been focusing increasingly on the hydrocarbon sector, education, national and local civil service reform and transport. The International Monetary Fund (IMF) loans were used in support of the structural adjustment programme, in particular of financial reform. The European Union focused strongly on the rural sector, especially in the fields of health, sanitation and food security, and on integrated rural development and agricultural projects. More recently initiatives were undertaken in support of educational reform, the alternative development programme and the NGO sector.

For most of the bilateral donors, Bolivia was one of the most important recipient countries in Latin America. Bilateral donors concurred in their main policy objectives: poverty alleviation and food security. Over half of the bilateral donors provided programme aid, and all supported projects. Although modes of programme aid varied among the donors, most variance in objectives and policies could be observed in project aid. Apart from the traditional support for infrastructural projects, a majority supported projects in the social sectors and those related to democratization and administrative reforms. There were also significant initiatives in the field of agricultural and rural development and in small-scale industries. Some donors earmark their support to specific regions (Germany) or specific

priority themes (Switzerland). Only a few bilateral donors supported the coca-eradication programme, the so-called ‘alternative development’, which is the main priority theme of the United States Agency for International Development (USAID).

About half of all ODA was spent on investment projects, while programme aid and budget support received about a fifth. Food and emergency aid constituted about 5% of the ODA. Another 5% went to investment-related technical assistance (assignments of personnel) and 20% to NGOs (Méndez 1997:28). Recently, trends have begun shifting to the social sectors, to good governance and transport.

Besides bilateral and multilateral programmes, aid was provided by international and national NGOs. By 1996, 77 foreign and 424 national NGOs were listed in the National NGO Register (Ministerio de Hacienda 1996:10), but not all NGOs were registered. The total budget for 270 of these NGOs amounted to US\$ 132 million in 1993. A national NGO network estimated the current total NGO budget at US\$ 200–300 million annually. It is unknown to what degree this amount overlaps with the ODA data mentioned above.

Foreign aid has been important for Bolivia (see table 4.3) and decisive for economic stability and growth and for the success of reforms in progress. Foreign aid contributes to bridging the gap between investments and internal savings as well as to diminishing the deficits on the balance of trade and the public budget. ODA in relation to the GDP (10–14%) was among the highest in Latin America and reached levels reported for countries in Sub-Saharan Africa. The relationship between ODA and both investment and exports also demonstrated the extent of the country’s dependence on foreign aid. On average, over 50% of all public investment was financed by external resources during the 1990s. After deduction of the foreign debt service, ODA represented a net positive balance of 7 to 10% of GDP, which was critically important to the balance of payments. The fiscal deficit was financed almost completely by external resources. Despite the dependencies involved, foreign aid has become a widely accepted and institutionalized aspect of public and private sector operations.

**Table 4.3 ODA indicators, 1990–95**

	1990	1991	1992	1993	1994	1995
ODA (US\$ millions)	660	740	674	576	578	692
% growth, ODA	–	12	–10	–13	0	+20
% ODA/GDP	14.5	14.7	12.8	10.7	10.5	11.2
% ODA/investment	135	93	71	59	65	82
% ODA/exports	69	83	87	71	52	38

Based on Méndez 1997:20; EIU 1997.

Coordination of external aid was absent until the mid-1980s and policy priorities of the individual donors prevailed. Some initiatives by the Bolivian government acted as donor coordination mechanisms: the social funds provided a tool for channelling donor assistance to the social sector. The Government of Bolivia increasingly coordinates with its donors within the framework set for donor assistance in the Consultative Group meetings. Nevertheless, Bolivia's capacity to coordinate external aid showed a number of structural weaknesses, such as: little clarity on and knowledge of the norms and procedures for contracting foreign assistance; lack of well-formulated projects; low disbursements leading to loss of donations or suspension of credits; non-acceptance of government mechanisms by donors; slow congressional ratification of contracts; weak monitoring; non-availability of counterpart funds; lack of a government evaluation unit; lack of coordination between involved state agencies; confusion about the competencies and powers of the different authorities within the donor community and lack of technical staff (Méndez 1997:40–41, República de Bolivia 1997:16).

## **4.2 Dutch development cooperation policy with Bolivia**

### **4.2.1 *Netherlands aid policy***

Initially (during the 1960s) the Netherlands aid policy emphasized the transfer of know-how, and bilateral aid was almost exclusively provided as technical assistance. At the end of the 1960s, capital or financial assistance became the dominant form based on the modernization theory, which stressed economic growth through industrialization. Moreover, financial assistance offered good opportunities for Dutch export promotion. It gradually became clear that economic growth and the presumed trickle-down effect did not improve the living conditions of the poor, and development cooperation policies became more directly focused on poverty alleviation. In the mid-1970s the present general orientation of the Netherlands aid policy was set. Aid was meant to help the poorest countries and the poorest groups in those countries, and should preferably go to countries whose governments accepted redistribution as a central theme in their development policies.

After 1979 the promotion of economic self-reliance became a second major objective in addition to poverty alleviation, resulting in the two-track policy. In 1984 the two tracks were integrated into a single objective: the structural reduction of poverty. This implied that sustainable improvement in the living conditions of the poor would not be possible without strengthening a country's productive capabilities. At the same time, as a result of the economic recession and the debt crisis, structural adjustment of the economies of developing countries became a crucial new element in the international development

discussion. This entailed increased attention to macro-economic policy issues, including a greater role for market forces and a reduction of state intervention in the economy. In line with this trend, Dutch bilateral assistance gradually shifted in emphasis from project aid to commodity import support and other forms of macro-economic assistance.

In the 1980s two priority themes were further elaborated: women and development (W&D)<sup>13</sup> and the environment. Together with structural poverty reduction these policy themes became the principal criteria in the appraisal of project proposals from the mid-1980s onwards. A conceptual change was introduced in the policy document *A World of Difference* (Ministry of Foreign Affairs/DGIS 1990), which emphasized lasting poverty alleviation by strengthening the autonomy of vulnerable and marginalized population groups. The document regarded the environment as the basis of sustainable development and identified four 'spearhead' programmes: the environment, women and development, research and urban poverty. The new policy was elaborated in a large number of sectoral and thematic policy documents.

In 1995, the Netherlands reviewed its foreign policy in response to radical changes that had occurred in the international community since the early 1990s, taking into account growing worldwide interdependency. For development aid this meant a confirmation of the main objectives, closer conceptual and organizational integration in the Ministry of Foreign Affairs, and greater emphasis on the role of development cooperation as a component of the Dutch presence in various parts of the world.

#### **4.2.2 Country policy**

Three stages in development cooperation can be distinguished in the relations between Bolivia and the Netherlands: before 1983, between 1983 and 1987 and from 1988 onwards.

##### *Before 1983*

During the period before 1983, when Bolivia experienced military coups and dictatorships, there was no direct bilateral assistance, that is, government-to-government aid. The Netherlands had no specific policies as far as Bolivia was concerned. Four types of development cooperation involved the channelling of public resources from the Netherlands:

- Cooperation through multilateral channels. The strengthening of links between the European Common Market and the Andean Pact (Bolivia, Peru, Chile, Colombia,

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<sup>13</sup> A detailed analysis of the implementation of this topic in development cooperation with Bolivia is presented in chapter 9.

Ecuador and Venezuela) was supported, and contributions to some UNDP projects provided;

- Cooperation through activities on a regional level. Among these activities were the assistance given to the Latin American Faculty for Social Sciences (FLACSO) and, since 1977, contributions to the IDB;
- Cooperation through the SNV. During this period around 75 SNV development associates were on assignment in Bolivia.
- Cooperation through co-financing agencies (CFAs). The four agencies financed some 130 projects during this period.

### *The 1983–87 period*

The second stage of Dutch aid to Bolivia began when military regimes were replaced by a democratic government. The Netherlands reactivated its diplomatic relations in August 1982 and offered to contribute to Bolivia's balance of payments through the supply of medicines, fertilizers and insecticides. In 1984 the Dutch Parliament requested the inclusion of an Andean region in the Netherlands aid programme comprising Peru, Colombia, Bolivia and Ecuador. The bilateral Andes Programme became the budget line through which aid was extended to these countries. This programme was not restricted to the Andean zones, as the name might suggest, but has financed activities anywhere in these countries.

In 1987 the Dutch Minister for Development Cooperation presented his policy for Central America and the Andean countries to Parliament. Its general orientation was the promotion of balanced socio-economic development through the strengthening of the democratization process. On a country-by-country basis, Dutch cooperation defined 'in which sector, located in which region, through which channel, it would develop whatever activity, and with what funds, ensuring a flexible, creative and efficient implementation.' In Bolivia, emphasis was placed on the agricultural sector. The following activities were to be supported: improvement of the physical infrastructure, agricultural extension, marketing, credit, diversification of production, training and creation of rural organizations. Vocational training and the provision of credit were mentioned with respect to small and medium-scale enterprises. Special attention was to be paid to coordination with other donors and to the priority themes of W&D, environment and ecology. Cooperation among regional research institutes and universities was also encouraged.

### *The 1988–95 period*

The third stage began in January 1988 with the opening of a development cooperation office in La Paz, which in 1993 became the Royal Netherlands Embassy. The capacity

to handle and execute projects was further developed. The number and importance of bilateral projects have gradually grown since then.

In May 1990, the Directorate General for International Cooperation (DGIS) published its Policy Plan for Development Cooperation in the Andean Region, 1990–92. Its central objective was to combat poverty through well-balanced socio-economic development and democratization. Thirty percent of the available resources were to be destined for programme aid, such as commodity aid, debt relief and support to the social investment funds (FSE and FIS) and the Smallholder Development Fund (FDC). For project aid the areas of attention were:

- a. Agricultural production and rural development (production of food and export commodities, marketing, credit, training and institutional strengthening).
- b. Conservation/protection of the environment (reafforestation, Tropical Forestry Action Plan, institutional strengthening).
- c. Assistance to small- and medium-scale industry and the informal sector (marketing, management, technical vocational training, credit).
- d. Health and family planning (primary health care, training, mother and child care programmes).
- e. Education (basic agricultural education, teacher colleges, technical education, University of Cochabamba).<sup>14</sup>
- f. Women and Development.

The projects were to be concentrated in the departments of Potosí, Chuquisaca, Cochabamba and Tarija as well as in the tropical forests, but in practice the activities carried out in Santa Cruz continued. Urban activities were focused on El Alto. The need to utilize a combination of implementation channels (multilateral, bilateral and non-governmental) was stressed. The priorities set in 1987 remained unaltered, but new elements were added such as the reintroduction of traditional crops, the creation of links with traditional health practices and the upgrading of teacher colleges.

In the Agreed Minutes of the December 1990 bilateral meeting on cooperation between Bolivia and the Netherlands, Bolivia stressed the adjustment of the economy, which required investments in transport, communication, electrical energy and the productive sector. Although both Bolivia and the Netherlands reached the conclusion that their programmes fully coincided, the priorities mentioned by Bolivia differ from the main components of the Dutch Policy Plan for 1990–92.

The Policy Plan for the Andean Region, 1992–95, carried on with the existing policy,

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<sup>14</sup> In practice only technical educational projects and university projects were formulated.



emphasizing the theme of sustainable development. By now Bolivia was receiving the largest amount of Dutch financial support to any Latin American country. Due to financial-economic problems such as the foreign debt, the deficit on the balance of payments and the budget deficit, Bolivia also qualified for import support and budget support for state-initiated programmes such as the FDC and the National Fund for the Environment (FONAMA).

The Plan identified the following areas of attention:

- a. Rural development/food security (traditional food crops, diversification and export of agricultural products by small and medium-scale farmers, post-harvest losses, institutional strengthening of smallholder organizations).
- b. Environmental management (educational programmes, conservation and protection of the Amazon jungle, support for the Ecological Pause).
- c. Rural poverty/informal sector (training and credit).
- d. Attention to sanitation and primary health care, urban issues, population policy and family planning.
- e. Education (support for Educational Reform, participation of women in education).
- f. Research (it was recommended that 5% of the bilateral resources be spent on research activities).
- g. Culture (cultural adaptation of projects and programmes).
- h. Private sector development (emphasis was placed on the use of existing instruments: PUM, CBI, FMO, ORET and MILIEV programmes).

Bi-annual plans (1993–94 and 1994–95) were formulated on the basis of the general guidelines presented in the 1992–95 Policy Plan. Each new policy document implied an increase in the number of approaches, priorities and activities to be carried out. While items and areas continued to be added, very few elements were eliminated. Dutch policies with regard to Bolivia are regularly discussed in bilateral policy dialogues and in the framework of the Consultative Group.

The publication ‘Holanda en Bolivia 1995’ (the Embassy’s magazine on development cooperation) and the annual plans for 1997 and 1998 provided an overview of recent initiatives. An additional policy focus related to developments in Bolivia itself has been drawn up, and a number of core activities have been strengthened. Most salient is the way the programme has become interlinked with the institutional changes in the country, notably the decentralization and popular participation processes. The purpose of these new initiatives was to support the creation and development of public management at different levels in society. This was seen as a precondition for a broader process of development, including the struggle against poverty. The Dutch sectoral priority programmes in Bolivia were further integrated with those national programmes and were primarily focused on

nineteen selected municipalities, especially benefiting the fields of agriculture, environment and W&D. New activities have been further developed in the energy subsector, urban development, small- and medium-size enterprise, and through the introduction of delegated embassy funds. Many of these new approaches will become visible in terms of disbursements in the coming years.

### **4.3 Main programme characteristics**

#### **4.3.1 Aid volume**

The Netherlands is among Bolivia's principal bilateral donors, contributing about Dfl. 840 million between 1969 and 1996, which represents about 5% of all aid to Bolivia or 8% of all bilateral aid (ODA). The average annual disbursement was Dfl. 31.1 million (see table 4.4). Disbursements have grown considerably over time: from less than one million during the period 1969–74 to over Dfl. 75 million during the period 1990–96. In 1996, Bolivia was the largest recipient of Dutch aid in South America and the sixth one worldwide. Since the opening of the office for development cooperation (later the Netherlands Embassy) in La Paz there has been a marked increase in disbursement: about one-third of all aid was spent in the nineteen years before 1989, and about two-thirds was spent in the following seven years. These striking differences between the periods can be explained by the absence of a government-to-government aid programme until 1982. Before that year only the SNV and the co-financing organizations developed activities in Bolivia. The assignment of volunteers was a typical low-cost activity in those days, while the size of CFA-supported activities was also small. Average annual disbursements increased during the 1980s to Dfl. 25 million, mainly earmarked as programme aid, such as commodity aid, debt relief and (sectoral) budget support. Emergency aid was provided in response to the natural disasters (drought and floods) that took place in 1983 and 1984. From 1987 onwards there was a marked increase in Dutch-supported development cooperation, since resources were made available by the Andes Programme budget line. Regular country allocations have since then become available. The activities of the SNV and the co-financing agencies were also expanding considerably during this period, benefiting in part from the Andes Programme's budget. The total amount spent from 1990 to 1996 was over Dfl. 549 million, averaging over Dfl. 75 million per year. In 1995 and 1996 a substantial part of those funds was destined to multilateral debt relief.

**Table 4.4 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

### 4.3.2 Types of activities

All Dutch aid provided to Bolivia has been in the form of grants and has been untied since 1987. No concessional loans were issued, since this facility was discontinued before the start of the regular government-to-government aid programme in 1987. Dutch development aid comprised basically two types of interventions: project aid and programme aid. During the period 1982–96, Dfl. 271.4 million was spent on sectoral and non-sectoral programme aid. This represented about one-third of all disbursements. Programme aid consisted of commodity aid (mainly fertilizers), debt relief, sectoral budget support and the co-financing of the structural adjustment programme. Approximately Dfl. 12 million was made available from different budget lines to humanitarian aid and food aid through a large number of small projects. Assignment of personnel, both short- and long-term, was relatively important and required in total Dfl. 55.8 million. Postings by SNV were the most important. An overview of Dutch aid is presented in table 4.5.

**Table 4.5 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
<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.

The two priority themes that were introduced in Dutch development cooperation in the late 1970s—women and development, and the environment—were gradually reflected in activities supported in Bolivia, in particular after the formulation of the 1990 Regional Plan for the Andes. The posting of a sector specialist for women and development

attached to the Netherlands Embassy in La Paz, as well as the creation of a Local Fund for Women in 1992, were important steps in elaborating this theme. The issue of women and development is dealt with in detail in chapter 9. Up to the mid-1980s, improvement of the environment was seen as a separate set of activities in Dutch development aid. The activities supported in Bolivia were mostly concerned with reafforestation and erosion control. Later a special programme on alternative energy generation was added. Since the late 1980s, the environmental impact became integrated into the regular project formulation and appraisal process. More explicit cooperation in environmental matters was introduced when the Netherlands attached a local sector specialist on environment and energy to the Embassy and more use was made of the special budget lines for these activities. The Netherlands co-financed research and projects which contributed to the first Bolivian institute for environmental management, the first public sector action plan for the environment and the first environmental laws. Projects were implemented in the framework of the Food and Agriculture Organization of the United Nations (FAO) Tropical Forestry Action Plan for Latin America.

Project aid before 1985 was almost entirely channelled through the co-financing agencies. Integrated rural development projects, other agricultural projects, health and education projects and small industry projects were most prevalent. After 1985 not only did the volume of project aid increase, but its character changed as well: over 50% of all projects were still related in some way to the agricultural sector, but an increasing portion was destined to themes like Women and Development, environment, urban development and research.

Table 4.6 presents the distribution of all aid to Bolivia during the period 1969–96 according to sectoral categories. The table indicates that disbursements made for activities in the social sectors were the highest, followed by those in agriculture and forestry. The substantial increase after 1985 was due to emphasis placed on rural and agricultural development in the Andes Programme. Also important were the multisectoral programmes, which largely consisted of integrated rural development projects. Non-sectoral programme aid (mostly debt relief) became an important category after 1985.

Over 60% of the disbursements were spent on national or interdepartmental activities, although this percentage decreased during the most recent period. The three departments around the central La Paz–Cochabamba–Santa Cruz axis received nearly a quarter of the disbursements. Aid to Santa Cruz gradually increased, while aid to Cochabamba decreased. The amounts for Potosí, though relatively small, increased over the most recent period. None of the other departments received more than 4% of the total disbursements. Disbursements made to national or inter-departmental projects could be allocated to individual departments, which made it possible to estimate that including those disbursements

**Table 4.6 Dutch aid by sector, 1969–96**

Sector/period	1969–96		1969–74	1975–79	1980–84	1985–89	1990–96
	Dfl. million	%	%	%	%	%	%
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	4.4
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
<b>Total</b>	<b>840.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: Data on disbursements in this table may differ from the ones presented in the following chapters, due to differences in definition.

the departmental share for Potosí would increase to 14.5%, for Cochabamba to 17% and for Santa Cruz to 10.4%. The regional distribution of disbursements to aid activities is presented in table 4.7. Among the departments in which Dutch aid was concentrated, Cochabamba and Potosí received the most aid. These departments were selected as the geographical areas for all in-depth studies carried out in the context of the evaluations presented in chapters 6–10.

**Table 4.7 Disbursements by department, 1969–95 (in Dfl. millions)**

Department	1969–89		1990–95		Total	
	Disbursements	%	Disbursements	%	Disbursements	%
Cochabamba	31.2	10.7	31.6	6.9	62.7	8.4
La Paz	24.2	8.3	37.7	8.3	62.0	8.3
Potosí	2.6	0.9	20.6	4.6	23.2	3.1
Sta Cruz	16.2	5.6	33.8	7.5	50.1	6.7
Other departments	14.1	4.8	42.4	9.4	56.5	7.6
More than one department and national	199.2	68.4	265.3	58.6	464.4	62.4
Others	3.6	1.3	21.5	4.7	25.1	3.5
<b>Total</b>	<b>291.1</b>	<b>100.0</b>	<b>452.9</b>	<b>100.0</b>	<b>744.0</b>	<b>100.0</b>

Note: Regional distribution of disbursements during the year 1996 was not available.

Development initiatives were funded under different programmes and budget categories and implemented by different entities. Of all the implementing organizations, the Bolivian NGO sector was the most prevalent, implementing about 47% of the total aid. The Bolivian public sector implemented nearly 30% and the multilateral organizations (multi-bi projects) nearly 15% of all aid.

This variety in both funding and implementation is partly an outcome of the historical process and partly a consequence of policy decisions made when the Andes Programme was formulated. Historical, because until the early 1980s aid to the target groups was provided nearly exclusively through NGOs. This aid was provided by the co-financing agencies and the SNV. They built an extensive network of contacts and since then have continued and expanded their activities. Due to the absorption capacity of the NGOs in Bolivia and the rather local nature of their activities, many projects were small-scale and low-cost. When government-to-government aid started in 1982, the Netherlands was initially reluctant to become directly involved with the Bolivian government, whose recent past had been characterized by military regimes and frequent *coups d'état*. Assistance was given as commodity aid, as this did not imply any commitment for the future if circumstances in Bolivia should deteriorate. When the project aid was initiated, financed by the Andes Programme budget line, there was little experience and institutional capacity to administer the projects. It was decided to channel funds through existing agencies like the CFAs and multilateral organizations. After the opening of the development cooperation office in 1988, a growing number of projects began to be implemented under the direct supervision of the donor.

Despite the growth of the various budget lines, the programme was characterized by a large number of relatively small development activities and a small number of larger ones. Up to 1995 there were 112 projects that received disbursements of over Dfl. one million. The remainder were smaller in terms of disbursements. Most of them were financially small because of the nature of the activity (a fellowship to a student; the mission of a retired manager) or because the initiatives were limited to a pre-defined maximum amount financed from so-called local or delegated funds. Examples are the Local Fund for Women in Bolivia, the Small Embassy Projects' (KAP) Programme, etc.

Table 4.8 shows the number of development projects or activities and the disbursements according to programme. The table shows that the local funds and those for small-scale initiatives funded 625 activities (some 35% of the total) but covered only 1.4% of total disbursements. The assignment of personnel and missions amounted to 305 (about a fifth of all activities), but only 7.3% of the disbursements. Together these categories represented over half of all initiatives but not even 10% of the total disbursements. The average disbursement per activity for these categories was less than Dfl. 70,000.

In comparison, the average disbursement per activity in the major programmes was Dfl. 836,000. Annexe 4 gives a complete overview of Dutch aid to Bolivia according to budget category.

**Table 4.8 Disbursements according to budget categories, 1969–95**

<b>Programme</b>	<b>Number of projects or activities with disbursements less than Dfl. 1 million</b>	<b>Number of projects or activities with disbursements over Dfl. 1 million</b>	<b>Total Dfl. mln.</b>	<b>Total %</b>
Andes Programme	76	57	314.3	42.2
Co-financing Programme	347	21	114.6	15.4
Programme, food and emergency aid	121	22	204.0	27.4
Other programmes	157	12	47.1	6.42
<i>Sub-total</i>	<i>701</i>	<i>112</i>	<i>680.0</i>	<i>91.4</i>
<b>Local funds and small-scale initiatives</b>				
LFWB (max. Dfl. 50,000)	154		2.1	0.3
KAP Programme (max. Dfl. 15,000)	367		3.3	0.4
KSPs (max. Dfl. 100,000)	11		0.6	0.1
Others	93		4.1	0.6
<i>Sub-total</i>	<i>625</i>		<i>10.1</i>	<i>1.4</i>
<b>Long and short-term assignments of personnel</b>				
SNV Associates	127		30.4	4.1
Others	178		23.5	3.2
<i>Sub-total</i>	<i>305</i>		<i>53.9</i>	<i>7.2</i>
<b>Total</b>	<b>1,631</b>	<b>112</b>	<b>744.0</b>	<b>100.0</b>

In conclusion, Dutch aid to Bolivia can be characterized as a multifarious programme. Not all development cooperation had to comply with the same policies. Though moving within the broad confines of Dutch-funded development cooperation, the CFAs and the SNV developed their own specific policy plans which have been taken into account in this evaluation. The emphasis in their programmes regarding such aspects as target groups, scale of operation, field methods and regional concentration was different from initiatives carried out directly through the Netherlands Embassy. The dynamics of the Dutch aid programme have to be seen in relation to its history, and changes within it in relation to the different policy angles and emphases, the various implementation strategies and working methods. The total aid programme of the Netherlands in Bolivia represented a definite variety and broad coverage which could also be characterized as being somewhat dispersed.





## 5 Programme aid

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During the period 1982–85 Bolivia suffered a severe economic and monetary crisis. After years of imprudent macroeconomic management resulting in hyperinflation, an orthodox economic stabilization programme was initiated in August 1985. The economic reform package was partly conditioned by the World Bank and the IMF. Their support paved the way for further donor involvement. From that moment on, Bolivia began receiving significant multilateral and bilateral assistance in the form of both grants and loans.

As indicated in chapter 4, development aid comprises basically two types of intervention: project aid and programme aid. Project aid is directly aimed at specific well-defined individual activities (projects), while programme aid consists of ‘all contributions made available to a recipient country for general development purposes, i.e. balance-of-payments support, general budget support and commodity assistance, not linked to specific project activities’ (OECD 1991:5). Programme aid basically supports the social and macroeconomic policy of the recipient country by making available foreign exchange either at a general level (e.g. debt relief) or at a sectoral level (e.g. sectoral budget support), and it can be provided either bilaterally (e.g. import support) or multilaterally (e.g. co-financing of structural adjustment programmes). Usually, programme aid generates financial resources in the local currency.

### 5.1 Dutch programme aid to Bolivia

The Netherlands policy on programme aid has its origins in a support programme introduced in 1975 that was aimed at those countries hardest hit by the energy crisis of the seventies. The programme provided one-off injections of resources suitable for rapid disbursement and usually channelled through multilateral organizations. Target countries were mainly those for which no permanent bilateral cooperation programme existed. In 1977 a special budget category was created which provided for balance-of-payments support but did not form part of any longer-term policy concerning those countries. From 1987 on, the policies of recipient countries were monitored to determine the extent to

which they were being geared to achieve enduring economic recovery. In practice, this implied that the recipient country had started a process of stabilization and economic adjustment, usually in accordance with the policies recommended by the IMF and the World Bank. This Dutch policy was shown by its direct support for economic adjustment programmes (in the case of Bolivia, by co-financing a structural adjustment credit for an amount of Dfl. 19.1 million). More precise criteria on programme aid were developed during the early 1990s. In addition to economic reforms, sustainable development and good governance were also considered criteria for efficient programme aid (DGIS 1994:25–29). The instruments changed as well: while import support had been predominant during the 1970s and early 1980s, debt relief and (sectoral) budget support gradually came to replace it. The proceeds (in local currency) from the sale of donated goods by the government of the recipient country (monetization) are known as countervalue funds.<sup>15</sup> Since 1984 DGIS guidelines require that countervalue funds flow into the public budget. The Netherlands does not exert any control over the use and destination of these funds.

This chapter presents the Dutch programme aid to Bolivia during the 1982–96 period totalling disbursements of Dfl. 271.4 million, which amount to approximately one-third of the total Dutch development assistance to Bolivia. The evaluated part thereof comprised the import support, commercial and bilateral debt relief and sectoral budget support during the 1982–95 period. At that time the Dutch contribution represented on average 6% of all programme aid extended to Bolivia annually. The evaluation also touched on the relevance of programme aid to specified problems and to Bolivian and Dutch policies, as well as its effectiveness, efficiency and sustainability. Only the direct effects (products) of programme aid were assessed, since causality is difficult to prove and the impact of Dutch aid on the economic performance of Bolivia is hard to trace. It has been assumed that the results of all international macroeconomic support is reflected in the performance of the economy. Therefore, the results of the stabilization and structural adjustment programme were analysed as a reference framework. Apart from the macroeconomic evaluation, a micro-level analysis was also carried out in the case of fertilizer aid and support to social safety nets, but only in the departments of Cochabamba and Potosí. The validity of the conclusions is restricted to the Bolivian situation and should not be interpreted as applicable to programme aid in general.

The Netherlands has financed the following four types of programme aid to Bolivia:

- balance-of-payments support by means of import supplies, including medicines, fertilizers, aircraft and spare parts, electric light bulbs and agricultural equipment;

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<sup>15</sup> Although the DAC uses the term ‘counterpart funds’ to indicate the local currency generated by the monetization of granted import goods, here the term ‘countervalue funds’ is preferred in order to avoid confusion with the concept ‘counterpart contribution’, which indicates the recipient country’s support (financial or otherwise) for a particular activity.

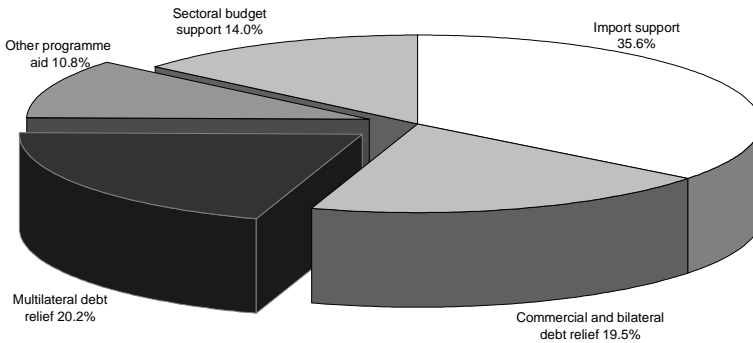
- balance-of-payments support by means of foreign debt relief. This includes in particular contributions to buy-back operations of commercial debt and contributions to reduce the bilateral debt service burden. Since 1995, the Netherlands has provided funds to enable Bolivia to comply with its multilateral debt service obligations;
- sectoral budget support, in particular contributions to social safety nets, initially to the Social Emergency Fund (FSE) and later to the Social Investment Fund (FIS);
- the co-financing of a structural adjustment credit with the International Development Association (IDA).

During the period 1982–96, all import support was implemented bilaterally, while over half of the debt relief, all sectoral budget support and 70% of other programme aid (in terms of disbursements) was provided through joint co-financing arrangements with the World Bank.

Table 5.1 presents an overview of Dutch programme aid to Bolivia. The evaluation by IOB comprised all import support, commercial and bilateral debt relief and support to social funds. Multilateral debt relief and the co-financing of the structural adjustment programme were not evaluated (see graph 5.1). The components evaluated constituted 69.0% of all Dutch programme aid to Bolivia during the period 1982–1996. For detailed information, reference is made to the separate volume ‘Netherlands programme aid to Bolivia’.

**Table 5.1 Overview of Dutch programme aid to Bolivia, 1982–96**

Year or period	Activity	Disbursement in Dfl. million
<b>Import support</b>		<b>96.7</b>
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
<b>Debt relief</b>		<b>107.6</b>
1987–92	buy-back commercial debt titles	44.3
1992	other debt relief	8.5
1995, 1996	multilateral debt relief	54.8
<b>Sectoral budget support 1986–92</b>	<b>support to social funds</b>	<b>37.9</b>
<b>Other programme aid</b>		<b>29.2</b>
<b>Total</b>		<b>271.4</b>



**Graph 5.1 Programme aid to Bolivia by category**

In 1982 no bilateral cooperation programme between the Netherlands and Bolivia existed. The Dutch government had expressed willingness to support the new democracy, which faced severe economic problems. At that time a relatively quick disbursement to Bolivia could only be made under the conditions of the balance-of-payments support programme by means of commodity aid. Fertilizers and medicines were donated, and until 1987 import support continued to be the principal instrument of Dutch development assistance to Bolivia.

## 5.2 Import support

General import support aims to reduce shortages of imported goods and to increase the existing production capacity within the economy (Tweede Kamer 1987:7). Import support or commodity aid was considered a currency instrument for balance-of-payments support, since it would reduce the need of the recipient country to use foreign exchange for commercial imports of the same goods. In Bolivia, most of the grants benefited two sectors: the agricultural sector (fertilizers, agricultural equipment, insecticides) and the health sector (medical supplies). Until 1987 goods were also supplied that were not directly related to these sectors, such as a Fokker aircraft and Philips low-energy bulbs. The Dutch import support represented on average 5% of import support received by Bolivia from all sources during the 1982–95 period.

Medicines were donated in 1983, 1984 and 1990 to the Bolivian Ministry of Health. Most medicines supplied in 1983 and 1984 were destined for free distribution by public health centres, according to the government's health policy at that time. The second grant consisted of essential drugs (drugs without a brand name and composed of active elements only), which was then new to Bolivian public health care. Although the supply was rather small in terms of value (Dfl. 850,000), it provided an impulse in the formulation of a

new policy on medicine. In 1990 a new supply of essential drugs was arranged, this time as a component of a co-financed institution-strengthening project implemented by the Pan-American Health Organization (PAHO). The use of essential drugs has become a key feature of the Ministry of Health's medicine strategy. With the introduction of a cost-recovery mechanism, the sales of medicines have capitalized a revolving fund, which has enabled the Ministry to procure essential drugs without external aid.

The supply of fertilizers was one of the first bilateral aid activities initiated by the Netherlands in Bolivia. The objectives formulated for fertilizer aid were to reduce the deficit on the balance-of-payments and to contribute to food security at a national level. Additional objectives were to increase productivity, rural income and food security at farm level. The first supply of 10,000 metric tonnes exceeded national requirements at the time. For a decade the Netherlands and Japan were the main suppliers of fertilizers to Bolivia. Between 1982 and 1995, Bolivia received 123,473 metric tonnes of fertilizers, 51% of which was supplied in grants by the Netherlands. Over the period in question the grants were received by and distributed by four different public bodies. The total amount of fertilizer granted by the Netherlands was 62,926 metric tonnes, valued at Dfl. 56.9 million. When the Netherlands planned to discontinue the supplies, the Bolivian government requested their continuation, though of no avail. Japan replaced the fertilizers immediately by increasing the volume of its supplies.

Fertilizer was distributed in six departments in the Andes belt, mainly among *campesinos*, at prices which usually were below the import parity price. Since the Dutch supplies accounted for 40–50% of all fertilizers available on the market, they served as 'price-setters'. Distribution was organized by the public sector, initially as a joint effort with a number of non-governmental organizations. The principal commercial importers and dealers discontinued their activities since they could not compete with the granted fertilizers. A new network of micro-distributors emerged, which provided better access to mineral fertilizers in the rural areas. The 1996 fertilizer market showed distortions and imperfections, which—to a large extent—have their origins in the international fertilizer aid programme.

In 1984, the Bolivian authorities approached the Netherlands for funding to acquire two second-hand Fokker F-27 aircraft. After an initial refusal, the prospective military recipient organization was replaced by the civil airline LAB and, in the wake of two Bolivian airline crashes, the Netherlands agreed to authorize the donation of one aircraft. In 1986, a second Fokker aircraft was requested as well as spare parts for the aircrafts in use. DGIS refused the request for the aircraft, but spare parts were authorized. Though the budget was increased, the Fokker Company delivered spare parts in 1987 valued well in excess of the approved budget. The excess parts were not paid for by the balance of payments support programme.

In 1986, the Bolivian national electricity company ENDE issued a request for Philips low-energy electric bulbs to be used for streetlighting. One hundred and fifty thousand Philips lamps were procured. The Bolivian Ministry of Planning and Coordination required that the bulbs generate countervalue funds, and dictated the selling price. This price exceeded the amount that ENDE was able to pay for streetlighting, and it was decided to sell the lamps to the general public. However, prices were apparently unattractive and sales were negligible. In 1992 the lamps were transferred to the Social Investment Fund, without the obligation to generate countervalue funds. In late 1996 about one-third of the bulbs were still in stock.

In 1986, DGIS informed the Bolivian authorities of the reimbursement option for invoices for imports from eligible source countries. The purchase of steel pipes by the national oil company YPFB from a Mexican company was reimbursed for Dfl. 11 million. Dfl. 7 million in Dutch currency was used as an immediate prepayment for the acquisition and installation of electrical turbines from Dutch companies.

In 1987, in the aftermath of one of the worst droughts in Bolivia's history, a request was made for agricultural equipment, in particular water pumps for rural areas. Four years later, after long delays, misunderstandings and administrative problems, 1,825 pumps were delivered. Due to cost overestimates, about three times as many pumps were supplied as had been requested by Bolivia. The unit price of the Dutch pumps, supplied with tubes that were too short to reach groundwater levels, appeared to be higher than ones that in the meantime had become available on the Bolivian market. Additional tubes were later supplied in order to improve the marketing opportunities. However, weaknesses in the marketing capacity of the Ministry of Agriculture necessitated the selling of the pumps (on consignment) by the private sector. Prices dropped to about one-fifth of the cost price. Nevertheless, as of 1996 only a small number of the pumps had been sold and only 11% of the anticipated countervalue funds had been generated.

### ***5.2.1 The policy relevance of import support***

Policy relevance has been assessed in relation to existing problems (i) and in relation to the policies set by both Bolivia (ii) and the Netherlands (iii).

(i) Policy relevance in relation to existing problems was high in the case of medical supplies. The extremely poor health situation in the country, with health indicators far below Latin American averages and a public budget eroded by hyperinflation and unable to procure relatively high-priced brand medicines, justified external support.

Opinions vary regarding the relevance of fertilizer aid in relation to existing problems in the agricultural production systems, as well as to the survival strategies of smallholder producers in the Bolivian Andes. On the one hand, traditional methods of maintaining soil fertility (fallow land, organic manure) had become difficult to sustain due to population pressure, and some of the smallholder producers had become acquainted with the use of mineral fertilizers through participating in development projects. On the other hand, investments in purchased inputs do not always fit into the risk management strategies of smallholders in the Andes. In addition, sound soil fertility analyses in Bolivia were scarce during the period of fertilizer aid, so knowledge about adequate types of fertilizers and application rates was insufficient.

The aircraft and spare parts were relevant to solving an immediate problem; the electric bulbs and reimbursement of invoices for the procurement of steel pipes were less relevant in that regard, although the first could have saved foreign exchange by reducing energy imports. The supply of water pumps had a high priority during and immediately after a period of severe drought, but when they finally arrived in Bolivia their relevance had been lost.

(ii) From 1986 onwards, the health sector has been considered a priority by the Bolivian government. The social investment funds (social safety facilities) allocated a substantial portion of their resources to improve health facilities. Dutch grants contributed to the formulation of new Bolivian public medicine aid based on essential drugs and cost recovery, and in that respect were very relevant in relation to Bolivian policies.

Fertilizers were of little relevance to the macroeconomic or sectoral policies of the Bolivian government. During the entire fertilizer supply period, Bolivia never produced a well-defined policy for its agricultural sector, while within the structural adjustment programme, no particular role was attributed to the agricultural sector and no particular policy was formulated for the smallholder sub-sector until early 1996. On the contrary, support services to the smallholder sector were curtailed within the context of stabilization efforts. Nevertheless the Bolivian government later requested fertilizers once again and regretted the discontinuation of the supplies. Both the aircraft and the water pumps were a high priority for the Bolivian government, the electric light bulbs were less of a priority, but none of these supplies were components of specific policies.

(iii) Regarding the Netherlands policies, medicine aid was relevant since it directly benefited low-income and vulnerable groups in the population. Fertilizer aid and agricultural equipment were also relevant because they not only contributed to the balance of payments but were also related to the objective of poverty alleviation, aiming at the poorer *campesino* producers. The aircraft was initially considered ineligible as balance-

of-payment support and was not relevant to the Netherlands policies; neither were the electric light bulbs.

Overall, the supplies provided under the import support programme were usually not the result of policy priorities set by the Bolivian or Dutch governments. Medicine aid proved to be relevant from several different viewpoints, while fertilizer aid was mainly relevant in relation to Dutch policy. Other supplies were addressing ad hoc needs, without major policy implications.

### ***5.2.2 The effectiveness of import support***

The effectiveness of import supplies was analysed at the macroeconomic and microeconomic level.

At the macro level, the key issue is whether the grants were fungible or additional. Fungibility, which contrasts with additionality, refers to the extent to which aid takes the place of expenditures which the recipient country would have made in any event, using either its own or other donor resources. In that case the donor support allows the recipient to use these resources for alternative, usually unknown, purposes. To measure effects becomes difficult in these cases, since they may manifest themselves elsewhere in the economy. If, on the contrary, a grant is additional, direct effects can be traced to the sector or the end-users.

The macroeconomic effects of medicine aid were minimal, since the amounts involved were rather small. The supplies were partially fungible, replacing imported brand medicines. Savings in foreign exchange have been estimated to be equal to the value of the grants. Of the fertilizer aid, 30–40% of the volume replaced imports that probably would have taken place anyhow, so approximately 60% should be considered additional (also in terms of availability to the smallholder producer). All of the other supplies should be considered additional, with the exception of the aircraft, which would most likely have been procured by the Bolivian government anyway. Apart from those generated by the delivery of the aircraft, countervalue funds provided little or no support to the public budget.

The value of the total Dutch import support programme never represented more than 0.5% of national annual imports. Other macro-level effects include those produced on policy formulation and on institutional capacity. While the medicine aid grants contributed to policy formulation regarding essential drugs and public health (e.g. cost recovery), the fertilizer aid led to a special FAO fertilizer project and contributed to the formulation of other projects aimed at alternative methods of fertilization. However, these efforts did





*Tarabuco. Quechua Indians selling farm products on the sunday market*

not result in clear policies and guidelines regarding the handling, distribution and use of fertilizers. Institutional capacity was improved by medicine aid, in particular by the 1990 grants, which formed part of an institutional strengthening programme. Fertilizer aid also contributed to the strengthening of the public sector's institutional capacity, but the effects were not lasting due to changes in the organizational structure of the public sector. The other supplies did not have any effect on either policy formulation or institutional capacity.

At the micro level, potential effectiveness depends to a large extent on the capacity of the recipients to make appropriate use of the supplies. This was definitely the case with the medical supplies, which provided poor rural and urban population groups with access to medicines and preventive health care facilities. The granted medicines never competed with local commercial dispensaries or affected the sales of national pharmaceutical laboratories. On the contrary, the essential drugs carved out a new niche in market and provided the commercial pharmacies with new 'clients'. In the case of fertilizer aid and agricultural equipment, the smallholder producers (and with them the agricultural sector) would have benefited more if the fertilizer aid had been part of an integrated strategy including price policies, extension and credit facilities and other supporting services. While some of these facilities did exist at one time, they were dismantled during the stabilization process (the Agricultural Bank was closed and the public extension system was reduced to a minimum). Fertilizer aid did have an effect on the agricultural sector,

since the grants provoked a more widespread adoption of mineral fertilizers, in particular by smallholder producers. However, fertilizer use never reached levels comparable to those in other countries in Latin America. An unintended effect of fertilizer aid was that the importing of agricultural inputs by the commercial sector was almost totally eliminated. Commercial trade houses went out of business, since they could not compete with fertilizer aid provided by both the Netherlands and Japan. The smuggling of urea and other compound formulas increased. The formal market became monopolized by the trade house that had managed to procure all Japanese granted fertilizers. A positive effect has been the development of an informal retail network through rural markets, giving smallholder producers better access to fertilizers.

The use of mineral fertilizer by smallholder producers exerted a positive effect on their financial income, leading to positive gross margins on some smallholder crops, especially potatoes. Fertilizer use had almost no effect on the diversification of production, nor did it have a significant effect on the nutritional status of the smallholder producers' diet, since the increased income was used for transport, cattle and clothes. Cash crops like potatoes and wheat replaced crops for household consumption. In practice this implied a shift from local varieties to varieties with a higher market demand.

Both positive and, in exceptional cases, negative environmental effects related to fertilizer use have been observed. In general, agricultural producers use small quantities of mineral fertilizers, and negative effects occur only in areas with insufficient precipitation. The women interviewed had a good knowledge of fertilizer use. Although the application of fertilizer has increased their workload, this has been compensated by a higher cash income; the women's opinion of mineral fertilizers was quite favourable.

Until 1992, that is during almost the entire period of the import support programme, there was a lack of transparency in the administration of countervalue funds due to their having been registered in separate accounts and not having been used for expenditures provided for in the public accounts budget. The allocation of the countervalues to strengthen counterpart institutions, projects and social funds was either agreed upon in advance by the Netherlands and Bolivia or decided upon ad hoc. These agreements on the allocation of the countervalues were not in accordance with the Dutch practice of avoiding the double tying of aid. The more recent Dutch policy of non-interference in the destination of countervalue funds was interpreted by the Bolivian authorities as a lack of interest and concern.

Overall, the effect of import support at the macro-level was modest. The effect on the trade balance was insignificant, although foreign exchange could be saved or used elsewhere. On average the countervalue funds represented 62% of the cost price of the goods supplied. This was 99% of the estimated generation of funds, as a recovery of the full cost price

had not been intended. Countervalue funds did not help to alleviate pressure on the public budget, since they were administered within separate accounts that were accessible only to the counterpart institutions operating at the time. Notwithstanding the fact that both medicine aid and fertilizer aid were only partially additional, most effects were observed at the micro level. The grant of agricultural equipment and electric light bulbs had no significant positive effects at all.

### ***5.2.3 The efficiency of import support***

Since commodity aid is not exclusively a macroeconomic instrument and has—at the micro level—characteristics comparable to those of project aid, similar appraisal procedures would have been justified. Field appraisals were not among the standard procedures of the balance-of-payments support programme, however. The markets and technical specifications of the imported goods were either unknown or disregarded. Due to this lack of appraisal, the supply of water pumps with technical specifications unsuitable for Bolivian conditions was inefficient. The supply of electric light bulbs was also inefficient, since the market was unknown and had not been studied in advance.

In general, the procurement of the supplies was efficient in value-for-money terms. This applies in particular to medicine procurement, where the shift from brand medicines to essential drugs was a major gain. Despite the lack of soil information, the right type of fertilizer formulas were procured: those suitable for most types of soil and with a high nutrient content, which partly compensated for the high international transportation costs. Fertilizer purchases, urea in particular, could have been more economical if they had been made in Argentina and if (initially) other international transport routes had been used.

The timing of the supplies was initially based on the availability of funds from the Dutch budget, but improved over the years and was set in accordance with the Bolivian agrarian calendar. The Netherlands technical mission (later embassy) in Bolivia provided adequate assistance and permanent follow-up, especially on the fertilizer supplies. Inefficiency was observed in the public distribution and marketing systems (especially concerning agricultural equipment), partly due to frequent organizational changes.

### ***5.2.4 The sustainability of import support***

Sustainability at the sector level was high in the case of medical supplies, where, thanks to a cost-recovery mechanism, sufficient funds were generated for imports and local purchases without the need for external support. Import support helped to strengthen

the provision and distribution system for public medicine. It emphasized new concepts and policies and was well-suited to Bolivian sectoral policies, which is why the medical supply system is considered more sustainable than that for fertilizer.

In the case of fertilizer aid, sustainability was never taken into consideration. No efforts were made to contribute to or to create sustainable procurement and distribution systems within the public sector, while the private sector was weakened as a result of the grants. Fertilizer aid contributed to a dependency on grants, since all but one of the commercial trade houses stopped importing fertilizer. Both the economic and ecological sustainability of fertilizer use by smallholder producers in the Andes depend mainly on the climatic conditions (especially precipitation). *Campesinos* who produce mainly for the market (seed potatoes in particular) obtain sufficient gross margin to continue procuring fertilizers. This is not the case for those farmers who produce mainly for their own consumption. In Bolivia there are few ecological risks caused by mineral fertilizers, since application levels are, in general, still low.

Since the granted aircraft was operated on routes not followed by commercial airlines, its economic sustainability was initially questioned. However, costs have been recovered and the aircraft is still in use.

### **5.3 Debt relief**

Debt relief is a form of programme aid not tied to specific goods or services. It may entail the forgiveness or restructuring of all or part of the principal of a debt or servicing obligations (amortization and interest payments). It is a form of balance-of-payments support, since foreign exchange is being saved, and the forex reserved for servicing the debt can be used for other purposes.

Depending on the source of the funds, public and publicly guaranteed debt is usually subdivided into multilateral, bilateral or commercial (private bank) debt. A specific category is concessional debt, which takes the form of credits from official lenders at ODA terms (i.e. loans with an original grant element of at least 25%).

Bolivia contracted most of its commercial loans during the military regimes of the 1970s and the early 1980s for investments in mining, the petroleum sector, transport and communication. Bilateral loans were contracted during the same period for economic and social projects, such as airport construction, the telephone system, railway improvements and integrated rural development projects. Before 1985, multilateral loans were contracted for investments in the infrastructure (roads, bridges), and after 1985 for the economic

stabilization and adjustment programme and its corresponding sectoral reforms. Post-1985 credits were used mainly to finance investments in the social sectors (education and health), while only 16.6% was used for sectors associated with the production of goods (mining, industry and agriculture).

Until 1982, Bolivia's external debt was relatively modest compared with that of other Latin American countries. From 1985 onwards, a substantial part of the economic adjustment programme was financed by external loans. The evolution of Bolivia's external debt is presented in table 5.2. The data show a trend of rapidly decreasing private bank debt, falling from almost half of the total debt in 1980 to a present 1% and increasing multilateral debt, rising from 27% in 1980 to almost 60% in 1995. During this year, the total debt contracted had reached an unprecedented US\$ 4.53 billion (excluding IMF stand-by loans and agreements in the context of structural adjustment facilities totalling 350.5 million Special Drawing Rights). Bolivia's principal creditor that year was the IDB with 32% of the total debt stock, followed by the IDA with 17% and the CAF with 5.7%.

**Table 5.2 Evolution of Bolivia's external debt during selected years (in US\$ millions and in percentages)**

Year	Commercial	Bilateral	Multilateral	Total
1980	989.7 (44.6%)	625.5 (28.2%)	604.9 (27.2%)	2,220.1
1985	752.2 (22.8%)	1,669.9 (50.7%)	872.3 (26.5%)	3,294.4
1990	267.5 (7.1%)	1,806.2 (47.8%)	1,705.2 (45.1%)	3,778.9
1995	33.0 (0.7%)	1,815.0 (40.1%)	2,679.2 (59.2%)	4,527.2

Source: Central Bank of Bolivia 1993 and Villegas and Loza 1996.

All official bilateral debt owed to the Netherlands by Bolivia has its origin in the purchase of six Fokker aircraft in 1979 for an amount of Dfl. 92 million. The export order was publicly guaranteed by the Netherlands Credit Insurance Company (NCM). The Netherlands has never provided concessional (ODA) loans to Bolivia. The non-concessional part of the bilateral debt has always been handled within the context and conditions set by the Paris Club. At the end of 1995, Bolivia reached a final solution (known as an 'exit agreement') with the participant countries of the Paris Club, which conceded a reduction of 67% of the bilateral debt stock contracted before 1985.

Soon after the international debt crisis of 1982, a secondary market developed in private bank debt titles (promissory notes). The international banks sold these titles to investors at a reduced price, and the investors exchanged the notes with the Central Bank of Bolivia

for local currency at a discount. The advantage of the deal for the private bank was the reduction of its dubious debt portfolio, while the investor benefited by obtaining national currency at a discount. National currency was needed for local payment obligations (e.g. payment of wages), so less foreign exchange had to be used for that purpose. The Central Bank's advantage was that it 'bought back' its debts, thereby reducing its present and future servicing obligations.

In 1987, the Dutch government made foreign exchange available to Bolivia, which enabled the country to enter into 'buy-back' operations of commercial debt titles at no cost, since the donor funds replaced the payments in national currency that would otherwise have been made to investors. At the same time, Bolivia was preparing a proposal to the IMF to set up a Trust Fund for the buy-back of the commercial debt. Due to communication problems and delays in the Bolivian initiative, DGIS instructed the Dutch bank NMB to purchase titles directly on the secondary market. After a first purchase by the NMB, the remaining funds from the Netherlands were deposited in the IMF Trust Fund, enabling a more massive buy-back operation afterwards.

The Dutch deposit was the first donor contribution to the IMF Trust Fund and was used by the Bolivian authorities to persuade other donors to make deposits as well. After 1989, Bolivia intended to reduce the remaining commercial debt by making use of the IDA Debt Reduction Facility. With contributions from the World Bank, Sweden, Switzerland and the Netherlands, Bolivia succeeded in removing almost all commercial debt from its portfolio.

Since 1995, the Netherlands has contributed to a Multilateral Debt Fund, which makes resources available to Bolivia, enabling it to comply with the multilateral debt service, its non-concessional part in particular (the International Bank for Reconstruction and Development, for example).

### **5.3.1 *The policy relevance of debt relief***

In 1987, external debt relief was vital to the debt servicing problem, since Bolivia had declared itself unable to service the commercial part of its debt (1984). In later years the IMF and World Bank also considered the debt overhang a major bottleneck to economic growth, since the debt service obligations were replacing necessary government expenditures on imports and investments.

The relevance for Bolivian development policies is closely related to macroeconomic reforms, especially the structural adjustment programme. Dutch contributions supported

these policies and were a significant factor during the stabilization effort in particular (1986–87). Commercial debt relief in the form of donor aid initiated by the Netherlands paved the way for others and even contributed to the introduction of new multilateral financing instruments, such as the IMF Trust Fund. It also enabled the Bolivian government to contract additional loans to be used for the implementation of sectoral adjustment programmes.

Although after 1987 debt relief was mentioned as one of the instruments of the balance-of-payments support programme, most policy papers and documents on debt alleviation were formulated when the debt relief to Bolivia was ongoing. Debt relief was relevant in the light of the general policies set by the Netherlands in the document ‘A World of Difference’ (1990:149), which emphasized the use of cooperation funds as a catalyst, for example in the purchase of commercial debt titles. In the case of Bolivia, the interesting feature is that the idea of repurchasing titles on the secondary market with donor funds did not originate with the international financing institutions, but emerged from Bolivia and the Netherlands.

Another type of policy relevance is the relationship between the leading role played by the Netherlands in debt relief and support for democracy in Bolivia, which was explicitly stressed by various sources. After decades of political instability, the position of the democratic government was immediately undermined by the economic crisis, part of which was formed by the excessive debt burden. As the first donor country, Dutch support for the policies of the Bolivian government in its debt crisis signified more than just economic assistance: it was a signal in support of democracy.

### ***5.3.2 The effectiveness of debt relief***

The effect of Dutch contributions on debt relief cannot be distinguished from those of other bilateral donors or financing institutions (for effects on the economy see 5.5). During the 1985–95 period, the Bolivian debt portfolio showed a sharp reduction in commercial debt (thanks to buy-backs and conversions), a modest reduction in relative terms in bilateral debt (debt relief and the simultaneous contracting of new loans), and a substantial increase in multilateral debt due to new loans contracted to finance economic and social reform programmes (see table 5.2).

The Dutch initiative in repurchasing commercial debt titles (1987) and the subsequent deposits made in the IMF Trust Fund and IDA Debt Reduction Facility for the same purpose were effective. With the direct buy-back, US\$ 15.9 million in debt titles were taken out of the market. The direct purchasing by the NMB was innovative, but it was also

dangerous because it could have caused speculation on the market. In general, purchases with smaller amounts have to be avoided and a ‘once and for all’ strategy is preferable. With resources from the IMF Trust Fund, Bolivia was able to repurchase titles with a nominal value of US\$ 243.1 million. Through the IDA Debt Reduction Facility, another US\$ 191 million could be eliminated. In 1995 Bolivia had almost no commercial debt left. Within the framework of the Paris Club, the Bolivian debt to the Netherlands was reduced by approximately half (from Dfl. 96 million in 1985 to Dfl. 46.7 million after the Paris Club VI exit agreement in 1995).

More important than the changes in the total debt is a country’s capacity to comply with its servicing obligations. This capacity is expressed by a number of indebtedness indicators, which reveal a mixed record during the 1985–95 period, as shown in table 5.3.

Notwithstanding a modest improvement in the principal indicator (total debt service as a ratio of export earnings), the net effects of debt relief (commercial and bilateral debt) were largely balanced out by new obligations (bilateral and multilateral debt). The increasing total debt as a ratio of the GDP and per capita seems to indicate that the growth in the economy was less than the growth in foreign indebtedness. The debt reduction provided relief to the National Treasury since it contributed to a modest drop (about 3%) in the debt servicing burden on fiscal expenditure. Not shown by the indicators is the fact that Bolivia refinanced its non-concessional debt with loans on concessional terms, mainly from multilateral sources.

**Table 5.3 Development of indebtedness ratios, 1985–95**

Year	TDS/XGS (%)	EDT/XGS (%)	TDS/capita (US\$)	EDT/GDP (%)
1985	33.1	440.1	594.4	51.3
1990	23.3	386.2	616.7	68.1
1995	23.8	363.1	643.1	75.5

Source: Based on data from the Central Bank of Bolivia and Delgadillo 1994.

\*TDS: Total Debt Service on long-term debt (data from the Central Bank of Bolivia include only long-term debt); EDT: External Debt Total; XGS: Exports of Goods and Services.

The debt-relief activities contributed to the restructuring of Bolivia’s debt portfolio, leading to an increasing share for multilateral debt. Since most multilateral loans were contracted on concessional terms, the change was favourable in financial terms, but it also implied a higher degree of dependency on a limited number of international lending institutions—the same institutions that have played an important role in the definition of national development policies. Reliance on a limited number of financing institutions does not contribute to a higher level of economic, financial and political independence.



### ***5.3.3 The efficiency of debt relief***

Debt-relief activities have been efficient both in terms of timing and the use of financial resources. In particular the use of funds for buy-back operations has been very efficient in terms of opportunity costs. In fact, no alternative use could have been more efficient at the time. The Netherlands has proven to be a frontrunner in debt-relief activities in Bolivia.

Donor coordination is a prerequisite for efficiency in debt-relief activities. Initially, in the case of commercial debt relief, donor coordination was rather modest and the Netherlands direct buy-back of commercial debt did not conform to the strategy of the IMF. However, it worked out well and the Netherlands was complimented for having opened up new options and for having sounded out the market. A limiting factor for the Netherlands was the absence of formal representation in Bolivia, so contacts were rather indirect. Concerning bilateral debt, the Netherlands coordinated its efforts with other creditor countries within the Paris Club.

### ***5.3.4 The sustainability of debt relief***

An indebtedness strategy should focus on achieving a sustainable balance between long-term debt-service obligations and the potential (future) carrying capacity of the economy (and the treasury) to repay this debt. Despite the fact that Bolivia has pursued a policy of reducing its current foreign debt service obligations and has improved lending conditions in the course of time, it has not set up its own criteria or indicators to determine sustainable levels of indebtedness. Since only 16.6% of post-1985 credits were contracted to finance productive investments, the short-term payment capacity of the economy was only marginally enhanced. A more cautious lending policy by international financing institutions and regional banks would have contributed to maintaining sustainable levels of indebtedness.

The Bolivian economic model is still vulnerable because of the slow progress of reforms and the delay in the anticipated results. Insufficient internal savings and private investment, reliance on public sector investments, and exports based on non-renewable resources might hamper future servicing capacity.

## 5.4 Social investment funds

The structural adjustment programme was intended to enhance economic growth in the medium term. In 1985, however, it was envisaged that the standard of living of certain social groups could decline in the short term as a result of stabilization measures. These measures led to cutbacks in public expenditures on health, education and other social services, as well as the abolition of subsidies and the rationalization of state enterprises. The reform of the public administration and the rationalization of public enterprises were accompanied by a reduction in employment in the public sector. Changes in relative prices led to a drop in the consumption levels of the lower (urban) socioeconomic strata. Economic adjustment not only affected the existing poor, but also gave rise to new poor. The social dimension of adjustment became a growing concern to both the government and the international financing institutions.

Various instruments have been created to mitigate the effects on vulnerable social groups, mostly known as safety-net facilities. One of these facilities has been the social emergency fund, intended as an instrument for the rapid provision of funds to labour-intensive infrastructural and social projects, which would provide opportunities for families directly affected by the austerity measures to earn an income. Social emergency funds were conceived as a temporary palliative measure to help the poor during the immediate aftermath of structural adjustment measures, until the longer-term benefits reached them. They were to be replaced after three to five years by more permanent social investment funds, which would better address the problems of structural poverty (also covering groups which were already poor before the adjustment measures).

Social funds in Bolivia have had other, more general and usually not explicit policy objectives, such as to restore the confidence of the population in the state and the government after a period of dictatorship, to demonstrate the physical presence of the public sector nationwide and to attract international financial support.

The Social Emergency Fund (FSE) in Bolivia is generally considered to be the first social fund in Latin America. After three years, it was replaced by the Social Investment Fund (FIS), since the Bolivian government decided to adopt an approach aimed at structural poverty alleviation. While the FSE's principal objective was generating temporary employment by means of infrastructural and social work projects, the objectives of the FIS were focused on improving the coverage of health, education, water supply and sanitation services and on international fund-raising for the social sectors.

Both the FSE and the FIS succeeded in attracting considerable external funding (approximately US\$ 180 million during the 1987–95 period, 9% of which came from the

Netherlands). Dutch support for the social funds was channelled through a co-financing agreement with the World Bank. Although initially considered to be project aid, the support for social funds is a form of sectoral budget support, provided (in foreign exchange) to programmes aimed at sustainable poverty alleviation that form part of the national budget; this support was of a general character and was not earmarked for specific sectors, areas or projects. In addition to these direct grants, a portion of the countervalue funds generated by the monetization of the import support programme was made available to the social funds. The funds were distributed to the various sectors as follows:

**Table 5.4 Distribution of investments by FSE (1987–91) and FIS (1991–95) by sector**

Sector	% of total investments by FSE	% of total investments by FIS
Health	8.6	27.4
Education	16.1	40.1
Water supply and sanitation	17.3	27.4
Housing and urban facilities	37.3	
Multisectoral	15.2	
Other	5.5	5.1
Total %	100.0	100.0
Total (million US\$)	190.6	84.2

#### **5.4.1 The policy relevance of the support to the social funds**

The support to the FSE and FIS had a high policy relevance to the situation existing in social services. As a result of hyperinflation, public social services lacked funds and by 1987 had become practically inoperative.

The policy relevance of this support to Bolivian policies was also very high, since both the FSE and the FIS had been priority social schemes for all governments since 1986. The FSE was the instrument for the ‘social dimension of adjustment’; later, the FIS served as one of the major vehicles of the ‘Social Strategy’ (1991) and figured among the government’s first priorities. The FIS acquired a complementary and feedback role in the definition of social policies. Bolivia’s coordinated effort to obtain donor support for the social funds has been particularly strong and successful.

The policy relevance to the Netherlands priority themes was also high. These included issues like improving the access to the physical infrastructure for poorer rural groups, a concentration of public services and programmes such as health care, education, drinking

water in the poorer areas and communities, and promoting rural employment. At a later stage, the FIS also formulated specific policies on gender and the environment. The DGIS Plans for the Andes Region stressed the importance of Dutch support for the social funds in the success of the democratization process, since the funds were instrumental in involving civil society (NGOs, grassroots organizations) in the implementation of public sector activities. Since 1994, the FIS has played an active role in the decentralization policy of the Bolivian government by introducing participatory management processes at municipal levels.

#### ***5.4.2 The effectiveness of the support to the social funds***

At the macro level, the effects produced by Dutch support to the social funds cannot be distinguished from those produced by other sources of funding (see 5.5). In terms of capturing foreign exchange, the social funds were successful (US\$ 180 million). Approximately 90% of the capital inflow was spent in national currency. The FSE reached 1.7 million beneficiaries (1987–90) and the FIS 1.5 million beneficiaries (until 1993), directly or indirectly. The FSE activities made sizeable contributions to both GDP and employment generation. The FSE represented between 0.6 and 2% of GDP during the 1986–90 period and provided 731,000 person-months of employment to approximately 1.8% of the economically active population at the time. The FIS produced fewer macro-economic effects, since annual investments were smaller and its activities were not aimed at employment generation.

For effective social sector support, the factors that DGIS considers important are a gradually increasing financial coverage with national resources and temporary external intervention. In addition to these, external support for social funds is probably most effective if it is only partially additional to national public contributions (if all external resources were additional, they would create sustainability problems, and if all external resources replaced national investment, there would be no effects at all within the sector). Between 1986 and 1990, public sector expenditure in the social sectors slowed down due to monetary (stabilization) policies, and external contributions largely replaced national public investment. However, after that time public investment increased, and in 1995 approximately 31% of total public expenditure and 20.4% of public investment were directed at the social sectors.

It is methodologically difficult to quantify the participation of social funds in the improvement of national social indicators, since their contribution is largely indirect: expansion in the infrastructure creates an enabling environment for other programmes in the social sectors, such as educational reform. A better school does not guarantee a better educa-

tion, but a better education does require a school building. The FSE was not an effective instrument in improving social indicators at a national level, since it did not allocate its resources to the most needy social groups, sectors or regions, but to those with the best capacity to formulate projects. One of the drawbacks of this approach was its lack of linkage with any development strategy at local, regional or national levels. The FSE's successor FIS focused on the active promotion of projects among vulnerable groups and in remote areas and prioritized its projects on the basis of a poverty map. Targeting became a methodological subject of debate between the FIS and various donors on topics like selection criteria for geographical areas, urban or rural priorities and coverage. Most targeting problems were overcome by the decentralization law in 1995, when the FIS changed its strategy and started to allocate resources to priority municipalities.

Both the FSE and FIS were effective in achieving 'higher objectives', such as re-establishing confidence in the state and government and demonstrating the presence of the state nationwide, in particular in the most remote areas.

Since about 70% of the total national population, including about 95% of the rural population, has been classified as poor, it can almost always be proven that the FSE was successful in disbursements to projects targeted at poor groups. However, the FSE did not directly reach its target group of 'new poor'. Only 10% of ex-miners were employed by the FSE. The FIS made social service more accessible to the poor but had no impact on their incomes.

The effects on women were negligible in terms of employment generation: only 1% of all persons employed by 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. Social services, the products of the social funds, have benefited women more than men. The education enrolment rate of females increased more than that for males, while women were the main beneficiaries of improved drinking water and primary health care facilities.

The current FIS does not pretend to be an improver of national social indicators. Preliminary studies indicate that the benefits of FIS-financed projects should be interpreted cautiously because of the substitution effect (children abandoning the school in their village in order to attend a more modern FIS-financed school elsewhere). However, the efforts of the FSE and FIS in the infrastructure, in combination with other programmes in the social sector, have been effective in improving national social indicators: mortality rates are decreasing, life expectancy is increasing, illiteracy rates have dropped and a larger percentage of the population has gained access to basic services like drinking water facilities and sanitation.

### **5.4.3 *The efficiency of the support to the social funds***

Dutch contributions were channelled through a co-financing agreement with the World Bank. The efficiency of the World Bank in administering the Dutch funds was low. In general, the Netherlands Embassy was not kept informed and expenditure reports were not submitted at all or were forwarded very late, containing erroneous records of millions of guilders. Friction on administrative issues between the Netherlands and the World Bank contributed to the decision by the Netherlands not to pledge additional funds to the second FIS credit in 1993. The World Bank's supervision of sub-project approval procedures for the FIS was slow, troublesome and complicated.

The efficiency of the FSE was high, maintaining extremely low operating costs and applying quick disbursement procedures. However, projects were not always 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.

### **5.4.4 *The sustainability of the social funds***

Regarding institutional sustainability, the role of the social funds changed over time. The FIS has become an open-ended institution, while one of its functions has become that of external fund-raiser to the social sector. The yardstick for sustainability is the capacity to maintain and continuously improve social services, financed either from public resources or user contributions. Since the social funds are only instrumental in achieving that objective, sustainability does not depend exclusively on national budget allocations to the fund.

Although the consolidation and sustainability of sub-projects initially received little attention from either the FSE or the FIS, most evaluated sub-projects, especially educational centres, are well used and in a regular state of maintenance. However, there are deficiencies in sanitary facilities, equipment and teaching materials. Until 1995, budget restrictions caused difficulties in covering the recurrent costs of the newly-built infrastructure (such as the payment of salaries to medical assistants or maintenance costs). This affected the health sector in particular. Future maintenance seems to be guaranteed by the decentralization laws, under which municipalities and/or users have become responsible for regular maintenance and bear some of the recurrent costs. To this end, some 23% (1996) of the national budget will be administered directly by the municipalities.

## 5.5 General observations

The reason that the government of the Netherlands decided to provide programme aid to Bolivia was to support the country's democracy, after many years of rule under military regimes. Bolivia faced a severe economic crisis in 1982, and balance-of-payments support was considered a suitable instrument for providing relatively rapid disbursement without any future obligations.

Programme aid, debt relief and budget support in particular, are predominantly financial instruments and require few human resources from either the Ministry of Foreign Affairs or the Netherlands Embassy. Because the Netherlands had no resident diplomatic representation in Bolivia before 1987, programme aid was deemed to be the most convenient form of development aid. Most import support to Bolivia took place during a period when the macroeconomic objectives of programme aid were still in the process of being more precisely defined. The Bolivian government itself, for example, never considered import support as a macroeconomic instrument but as support at the sector level. Debt relief was more explicitly a macroeconomic instrument and was also considered as such by Bolivia. The support to the social funds was initially treated as project aid by the Netherlands, but was later considered as sectoral budget support, which it had been to the Bolivian authorities from the beginning. So conceptually, the various instruments of programme aid were not always interpreted in the same way by the Netherlands and Bolivian authorities.

Dutch instruments of programme aid changed over time. There was no sequence in the use of instruments, but there was a change in the intensity. Import support was the prevailing instrument during the first half of the 1980s but was gradually phased out. Debt relief was new in 1987 but has become one of the major instruments since then, while the use of sector budget support has varied over time according to need and options for co-financing implementation arrangements with the World Bank. This change was the outcome of both an evolution in Bolivia's economic adjustment process and the growing confidence in Bolivia's policies and management capacities. These changes implied gradual improvements in the implementation of programme aid in Bolivia.

During the first years of programme aid, relevance to Dutch policies predominated over policy relevance to Bolivia. Except for medicine aid and the delivery of the aircraft, Bolivian requests to focus programme aid on their priority sectors (such as transport and communication) were not addressed. Fertilizer aid, for example, was not among the priorities set by the Bolivian authorities, and the agricultural sector did not figure among their key sectors for economic development. Debt relief was very relevant to Bolivia, fitting well into the economic reform programme and contributing to stabilization measures by reducing debt service obligations. Support to the FSE and FIS also had high

policy relevance and was compatible with the priorities set by the Bolivian government. In the course of time, therefore, better policy convergence of the instruments was achieved.

During the first years of Dutch aid there was no reason to be highly confident of Bolivian policy and governance: the country had a recent history of political instability and was suffering from a disastrous economic situation. With the stabilization of the economy and the consolidation of democracy, confidence grew and justified the expansion of programme aid. Programme aid has hardly increased over the course of time, however, and has been maintained at one-third the total aid. This is explained by the launching of a regular bilateral development programme with Bolivia in 1987, which implied a growth in project aid.

In order to optimize the effectiveness of programme aid, coordination between the recipient country and the donors, as well as among the donors themselves, is indispensable. Until 1995 both forms of coordination showed deficiencies. The Bolivian government was unable to formulate a donor policy and to channel most external assistance in support of its priorities, while the World Bank and the IDB left little space for bilateral donors such as the Netherlands to participate in policy issues.

The macroeconomic effects of all programme aid provided by the Netherlands cannot be distinguished from the macroeconomic support provided by other donors and financing institutions. The best overall indicator is the performance of the economy since the start of the economic adjustment programme. The new economic policy succeeded in improving economic stability and fiscal discipline: monetary policies served to put the brakes 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. However, private sector investments were disappointing and real economic growth was slow (in particular when expressed on a per capita basis). Domestic savings as a percentage of GDP fell and provided almost no impetus to investment. The structural adjustment was not reflected in 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. Effects on poverty alleviation were disappointing: over 70% of the total population and over 90% of the rural population cannot satisfy their basic needs (World Bank 1996).

The sustainability of Dutch programme aid to Bolivia has not received sufficient attention. The import support programme (with exception of the medicine aid) never took sustainability into consideration. In the case of debt relief, it was assumed (Paris Club, 1995) that Bolivia would soon obtain a sustainable debt profile, but in 1996 Bolivia was



still classified as one of the twenty highly indebted poor countries. Notwithstanding the conversion of loans by new credits with a higher concessionality, there was almost no improvement in short-term repayment capacity due to the contracting of new credits and the focusing of investments in the social sector. Bolivia lacks its own policy on standards of indebtedness. A sustainable debt profile can be achieved by donor support for multilateral debt servicing, in combination with a more cautious lending policy by the IDB and World Bank. Sustainability in the case of social funds will depend on the national capacity to continue maintaining and improving social services financed by national resources, and not only on the direct contributions made by the Bolivian public budget to the social investment fund.

Dutch policies on programme aid do not take into account criteria on complementarity between the instruments, as do some other donors (e.g. Switzerland). While programme aid instruments were applied without any relation being made between them, a certain implicit complementarity with project aid is apparent: several projects in the agricultural sector have their origins in fertilizer aid, and medicine aid is related to support to the social funds and projects in the health sector.

There is a convergence in the effects of programme aid: one of the effects of debt relief was that Bolivia was able to contract new multilateral loans aimed at financing reforms in the social sector. While debt relief might be considered *ex post facto* funding for these reforms, sectoral budget support has benefited the same sectors but with the added advantage of advance payment.



## 6 Project aid to the agricultural sector

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The descriptive part of this chapter refers to all project aid to the agricultural sector made available through Dutch development cooperation. The evaluative part, however, is restricted to agricultural projects financed by the Andes Programme. Programme aid (fertilizers and agricultural equipment) and personnel input by the SNV to the agricultural sector are presented in chapters 5 and 8 respectively. Agricultural projects financed through the co-financing agencies are dealt with in chapter 7. Projects implemented through the co-financing agencies or the SNV and financed by the Andes Programme budget are included in this chapter.

The term ‘agriculture’ as used in this chapter refers to both crop production and animal husbandry, unless explicitly subdivided into its components.

### 6.1 The agricultural sector

The principal characteristic of Bolivia’s agricultural sector is its ‘dualistic’ structure composed of a traditional subsistence sector (the *campesino* subsector) and a modern subsector. This dualism is related to the country’s three main ecological zones: the Highlands (*Altiplano*), the Valleys (*Valles*) and the Lowlands (*Llanos*). Land tenancy systems vary according to area, but two basic forms can be distinguished: the subdivision of land into extremely small plots (*minifundismo*) in the Highlands and Valleys, and landlordism (*latifundismo*) in the Lowlands. Altitude (the microclimate), in combination with access to water, determines the potential for agricultural production. The Andes belt accounts for much of the traditional sector and is characterized by small farms with one to three hectares under cultivation, comprising various plots located at different altitudes. In these areas the Andean system of values, habits and cultivation practices predominates. Apart from Lake Titicaca in the north and some rivers flowing into salt lakes in the south, there is no surface water in the Highlands. Small-scale farmers produce rain-fed food crops achieving low yields. The highest areas (*puna*) allow only cattle grazing, while some lower parts are suitable for growing tubers and Andean crops (*tarhui*, *quinoa*),

beans, wheat and barley. The highest density of small-scale agricultural producers is found in the Valleys, where plots are small but yields higher, thanks to better agro-ecological conditions, including access to surface water for irrigation. The large-scale modern agricultural sector is found in the Lowlands and produces industrial and export crops such as sugar cane, soya beans, rice and cotton. Extensive cattle-rearing prevails in areas less suitable for agriculture.

Until the 1950s, crop production was concentrated in the Highlands and Valleys. Since then there has been a diversification of crops combined with a rise in importance of the Lowlands, which today account for approximately 40% of the cultivated area. During the last decade the production of soya beans and rice increased substantially, while production growth in the traditional sector stagnated. The contribution of the crop production and livestock sector to the national economy fluctuated between 15% and 23% of the Gross Domestic Product during the period 1985–95, with 1.1% average annual growth.

Most of the Highlands are only marginally suitable for agricultural production due to poor soils and severe climatic conditions. Frost, drought and hailstorms combined with the absence of irrigation make crop production a high-risk activity. Until the 1950s, Andean farming practices enabled small-scale producers to survive in this environment, but since then population growth has exerted increasing pressure on the land, obliging farmers to shorten fallow periods to about one-third. In the highest areas overgrazing by sheep and goats has contributed to accelerated soil erosion.

When several mines closed in 1985, many small villages and rural towns in the Andes ceased functioning as food-supply centres for the mining areas, and small-scale producers lost their local markets. Migration flows intensified, and apart from the rural–urban migration, many male Bolivians moved temporarily or permanently to coca leaf producing areas and to Argentina. Since some of the coca leaf producing areas are found in the low-lying regions of the departments of La Paz and Cochabamba, they served as a hub for many of the city-bound migrants. The plots continue to be cultivated by the elderly and women with children. The reasons why these agricultural activities are not being abandoned altogether are either social (maintaining user rights on land, kinship ties), cultural (the sacred relationship between man and land) or economic (security and subsistence food production).

The marketing of produce from the traditional subsector faces constraints such as the small, depressed domestic market with its low purchasing power and low output of uneven quality and abrupt fluctuations in supply. Road conditions in the Andes impede the transport of perishables to consumer markets and entail high costs. Since the 1950s Bolivia has been a food deficit country, receiving food aid until the mid-1990s. International

competitiveness of Bolivian agricultural products is low due to its land-locked position and long distances to external consumer centres.

The development perspectives of the traditional and modern sectors differ widely. The modern sector's advantages lie in its favourable agro-ecological conditions, a diversified production base and economies of scale. Prospects for the traditional subsector, however, are bleak. The few studies analysing the constraints on the expansion of Bolivia's agricultural sector all agree that the land tenancy system is the greatest obstacle. Other major constraints are the marginal role of the traditional agricultural sector in national development policies; unfavourable agro-ecological conditions; low public investments in agricultural research, extension services and credit; unfavourable marketing conditions; and the specific demographic composition of the traditional subsector (World Bank 1992:iii–xiii).

### **6.1.1 *The Bolivian agricultural policy***

Until 1985 Bolivia's agricultural policy was characterized by public sector intervention in most aspects of agricultural production and marketing, such as price controls at the consumer and producer levels; subsidies on research, extension and credit; protective import and export tariffs, etc. These interventions protected mainly commercial beef and sugar production (World Bank 1992:3). After the 1983–84 droughts and floods, the 1984–87 National Plan for Rehabilitation and Development advocated green revolution policies to revitalize the agricultural sector, assigning key roles to the Bolivian Institute for Agricultural Technology (IBTA) for extension and to the Agricultural Bank of Bolivia for credit provision. The 1985 structural adjustment programme interrupted this plan, and the single role assigned to the agricultural sector was that of generator of foreign exchange through crop export (mainly soya). The stabilization measures reversed public sector policies by striving for balanced relative prices through the elimination of price distortions, the removal of subsidies and trade liberalization. These measures had a positive effect on the modern export-oriented subsector, but austerity in public spending on agricultural support services had a negative effect on the traditional subsector (World Bank 1990).

All Bolivian governments since 1985 have paid only modest attention to agriculture in their national development plans. The Strategy for Economic and Social Development 1989–2000 focused almost exclusively on the commercial subsector and was aimed at national food self-sufficiency, import substitution and increasing exports. The 1992 plan focused on private initiative, technology transfer and market mechanisms, while the 1994 plan not only emphasized the importance of diversifying agricultural production in



*Ocuri. Traditional ploughs of the Andes*

order to compete on the international market, but also stressed ‘the recovery of ancestral technologies’ (Government of Bolivia 1994:85). The 1996 Strategy for the Productive Transformation of the Agricultural Sector resumed attention for the traditional subsector, aiming at alleviating poverty and improving food security based on economic growth. All these plans were formulated towards the end of each consecutive governmental administration. Both time and budget for implementation were lacking.

In practice, since 1985 the development of the agricultural sector has been left to market forces. The few public sector interventions focused on cash crop production by the modern sector in attempts to improve its competitiveness on the international market. The traditional subsector was left almost untouched; only since 1996 has more attention been paid to food security at farm level. Throughout the period, the livestock sector remained outside the strategies and public sector interventions. Although 40% of the population of Bolivia makes a living from agricultural production, the sector received little priority since it was generally believed that the economic potential of Bolivia’s agriculture is low. The country’s growth potential is found in the exploitation of natural resources, such as minerals (including lithium), hydrocarbon and timber.

Regarding sectoral policies, the land tenure issue has always been of importance to the agricultural sector. Since colonial times, the communal land inhabited and used by the

indigenous population (both in the Andes belt and Lowlands) has been drastically reduced. The Agrarian Reform, motivated by the desire to improve land distribution, reached mainly the Highland population of the northern and central departments. It also led to a series of new problems, such as extreme subdivision of land due to inheritance patterns. The national land reform service (Law INRA, 1996) is a legal attempt to modernize the Agrarian Reform and will register land ownership in rural areas and define the different forms of land use. This law consolidates the right of usufruct, guarantees land access to indigenous Lowland communities and opens new opportunities for a land market.

### **6.1.2 Institutional framework and support services**

The institutional framework of the public sector has been characterized by frequent changes in organization, structure and mandate. During the 1980s, the mandate of the Ministry for Smallholder Affairs and Agriculture (MACA) comprised both agricultural production and the supply of social services to rural areas. In 1993, MACA was dissolved and its tasks were transferred to six different ministries and national secretariats, the most important of which is the National Secretariat of Agriculture and Livestock (SNAG) of the Ministry of Economic Development.<sup>16</sup> This dispersion caused confusion, overlap and inefficiency in the execution of the sector's programmes and projects. In 1995, the administrative decentralization laws introduced a coordination mechanism among the different public entities at both regional and local levels, and a new role was assigned to the municipalities with respect to agricultural services (micro-irrigation, extension). Planning for the agricultural sector became to a large extent a municipal responsibility.

Before 1985 agricultural support services were almost exclusively public services. The austerity measures in public spending had a negative effect on both agricultural research and extension services. As a result, only a few new technologies have been developed for use in the traditional subsector. Numerous donor-supported programmes and projects developed 'technology packages' for the traditional sector, most of them untested for their long term suitability. In 1996, plans to launch a new national agricultural extension system were abandoned and the responsibility for extension was transferred to the rural municipalities. But the Agricultural Research Centre for the Tropics (CIAT), active in the Lowlands, continued to perform well owing to private financing and external support. After closure of the Agricultural Bank of Bolivia, seasonal credit facilities were discon-

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<sup>16</sup> In 1996, the other five public bodies linked to the agricultural sector were: the Subsecretariat of Rural Development and the Secretariat for Ethnic, Gender and Generational Affairs (Ministry of Human Development); the Secretariat of Human Resources and Environment (Ministry of Sustainable Development); the Smallholder Development Fund (FDC) of the Secretariat of the Presidency; and the Secretariat of Alternative Development (Ministry of Government). In 1997 the formation of a new Ministry of Agriculture was one of the government's proposals for institutional reorganization.

tinued (1985). Later, the Smallholder Development Fund (FDC) opened credit lines for infrastructural investment in the rural sector, but these lines were discontinued in 1995. Current legislation imposes strict conditions on lending organizations, and only a few institutions in the rural areas can comply (the so-called intermediary credit institutions). In most of the Highlands and Valleys, Agrarian Reform laws prohibit the use of land as collateral for credits. In the absence of any other form of collateral, small-scale farmers do not have access to commercial loans,<sup>17</sup> and seasonal credit can only be obtained from some specialized NGOs, traditional lenders and, local savings and credit cooperatives.

One of the results of the Agrarian Reform was the community-based organization of small-scale farmers (*sindicatos*) with a step-wise representative system leading up to a national union. At the national level, this well-organized union mainly served as a political pressure group. On the contrary, most commercial farmers, are member of the Agricultural Chamber of the Eastern Provinces, which is economically more powerful, politically more influential and a recruitment pool for civil servants (and ministers) of the Ministry of Agriculture.

### **6.1.3 *The agricultural sector and international cooperation***

During the 1960s and 1970s, the Bolivian government invested in both the modern and traditional subsectors through foreign loans. Donor-funded activities were limited to some small-scale projects. When democracy was restored in 1982 and the country suffered the next year from natural disasters, donors began supporting emergency aid and massive food aid programmes, followed up by projects to rehabilitate the agricultural sector.

At the start of its structural adjustment lending programme, the World Bank concluded that public sector investment in agriculture would only be feasible in the commercial subsector. The World Bank's conditions for lending to programmes in the traditional subsector entailed Bolivian efforts to eliminate or reduce constraints on development in this subsector. Although after 1985 international cooperation resulted in increased attention on rural areas, many multilateral and bilateral donors remained reluctant to provide substantial support to traditional agriculture.

The World Bank made loans available for export-oriented research and development activities (some of them co-financed by the Netherlands). Donors granted approximately US\$ 60 million per year to the agricultural sector, representing 9.2% of total donor aid to Bolivia, or 15.0% of all bilateral aid. In terms of disbursement, the European Union,

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<sup>17</sup> Some farmers qualified for small loans aimed at entrepreneurs, provided by Bancosol.



the Netherlands, Germany and Japan were the principal bilateral donors. The relative importance of the agricultural sector within the total aid programme (1994 data) was the highest for the Netherlands, followed by the European Union and Germany. Minor donors were Belgium, Canada, Great Britain, Italy, Sweden and Switzerland. Most donors earmarked their aid for specific issues or regions. For example, Switzerland focused on supporting rural micro-enterprises, and Germany on the southern Chaco area. The United States emphasized the eradication and substitution of the coca crop within the context of their ‘alternative development’ strategy.

The lack of an overall sectoral policy reduced Bolivian ownership of the interventions and led to a proliferation of subjects dispersed over a wide geographical range. Projects tended to operate from different conceptual angles with only a few general approaches in common, such as food security and combating poverty.

Civil society interventions in the sector were initially small-scale. Since the early 1980s there has been a rapid increase in NGOs specialized in rural development that implement relatively small, long-term projects in the Highlands and Valleys.

#### **6.1.4 *Netherlands policy and programme***

##### *Policy*

Dutch aid to the agricultural sector dates back to the 1970s and 1980s, when small projects in the rural areas were supported by the co-financing agencies. In 1983, the first government-to-government aid was allocated for the agricultural sector in the form of fertilizers and insecticides. That same year emergency aid was channelled through the co-financing agencies followed up by activities to rehabilitate small-scale agriculture. Both the fertilizer aid and the emergency aid led to the establishment of new contacts and activities within the agricultural sector. When resources were made available from the Andes Programme in 1987, the Netherlands—lacking a permanent presence in Bolivia—initially relied on the co-financing agencies and international organizations like the FAO to formulate and implement the projects.

Policy plans (1986, 1990, 1992) for the Andes Programme emphasized agricultural and rural development. The main objective was to combat poverty through the balanced and sustainable development of rural areas, focusing on food security at both the national and the farm levels. The strategy was not restricted to agricultural production but also entailed the provision of inputs (fertilizers and credit), combating environmental degradation, aspects of Women and Development, marketing, and institutional development through

training and education (DGIS 1992:38). It was decided not to contribute to 'alternative development' (the substitution of coca production by other agricultural crops).

Netherlands policy was formulated on the basis of a portfolio of existing agricultural and rural development projects. Gradually these projects were concentrated within several Highland departments in order to improve efficiency and to better focus on the rural poor. The 1992–95 plan stipulated that 45–50% of the Andes Programme should be used for rural development projects. The policies were formulated with insufficient prior base-line research and had no clear thematic focus. In practice, Dutch projects dealt with many components of the agricultural process: research, input supply, extension, credit, production, post-harvest activities and international marketing, but not in an integrated manner. Most of the projects focused on crop production and hardly any on animal husbandry.

### *Programme*

Development projects in the agricultural sector were financed from different budget categories and implemented by various executing agencies. Table 6.1 presents an overview of total Dutch development aid to the agricultural sector, clustered in broad categories.

**Table 6.1 Total Dutch aid to the agricultural sector, 1969–95 (in Dfl. thousands)**

Category	Number of projects	Disbursements before 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.

The Andes Programme has served as the principal budget line, covering about 60% of all disbursements to the agricultural sector, as shown in table 6.2.

Single commodity projects focused mainly on the production of wheat, potatoes, *tarhui* (*lupinus mutabilis*), vegetables and coffee. Thirty-one of the 35 projects involved crop production only. One seed potato project (PROSEMPA: Project for the Strengthening

**Table 6.2 Total aid to the agricultural sector and aid through the Andes Programme, 1982–95 (in Dfl. thousands)**

Category	Total disbursements	Disbursements Andes Programme	Andes Programme, % of total disbursements
Single commodity projects	36,047.7	33,493.6	92.9
Research and innovation projects	45,314.4	44,809.0	98.9
Integrated rural development projects	68,901.9	49,601.0	72.0
Assignments (personnel)	11,183.1	1,036.9	9.3
Commodity aid	60,400.0	0.0	0.0
Other projects	27,373.3	19,778.5	72.3
<b>Total</b>	<b>249,220.4</b>	<b>148,719.0</b>	<b>59.7</b>

Note: Excludes Small Embassy Projects.

of the System of Seed Potato Multiplication and Distribution) accounted for 64% of all resources, three others involved expenditures of over Dfl. 1.0 million and the rest required more moderate disbursements. Nine small-scale projects were initiated before 1985, all directly financed by the co-financing agencies.

Only four minor research and innovation projects were financed in the period prior to the Andes Programme. With the resources from this budget line the number of these projects increased to fourteen. Four projects accounted for 88.6% of the resources: soil fertility, export of agricultural commodities (including the Bolivian Export Foundation), rhizobium inoculants and a post harvest project. Of the remainder, research on survival strategies in the traditional sector was the most important; the others were smaller activities.

Twenty-four integrated rural development projects were funded by the co-financing agencies in the period prior to the Andes Programme. With the resources from this budget line the number of these projects increased to sixty. Most of them were initiated with direct funding by one of the co-financing agencies and received additional funding from the Andes Programme budget in later years. Thirteen projects required expenditures of over Dfl. 1.0 million, while about half involved expenditures of less than Dfl. 250,000.

The personnel input to the agricultural sector was financed from various Dutch budget lines, the most important being the SNV (see chapter 8). Over 70% of the expenditures were between Dfl. 15,000 and Dfl. 250,000.

Commodity aid to the sector consisted of fertilizer, insecticides and agricultural equipment (see chapter 5). Commodity aid was provided along with the Andes Programme but was financed from other budget categories. All expenditures exceeded Dfl. 1.0 million.

The category 'other projects' included a wide range of activities, but the majority of the 56 projects dealt with training, strengthening farmers' and community organizations and providing infrastructure (irrigation, storage). About half of these projects existed prior to the Andes Programme and were directly funded by the co-financing agencies. Most projects required expenditures between Dfl. 15,000 and Dfl. 250,000.

## **6.2 The evaluated projects**

### **6.2.1 *The Andes Programme and sample***

Evaluation of project aid to the agricultural sector was restricted to projects financed by the Andes Programme. The financial data used in this chapter represent disbursements made as per December 31, 1995, comprising 37 projects with a total disbursement of Dfl. 148.7 million, 78.8% of all Dutch project aid to the agricultural sector (i.e. excluding commodity aid). The agricultural projects represented 47.3% of all disbursements made by the Andes Programme. Between 1990 and 1995, around Dfl. 20 million was disbursed annually to the agricultural sector. Thirty-eight percent of this was administered (and/or implemented) by the co-financing agencies, while multilateral institutions such as FAO and the UNDP administered 29% of the Andes Programme resources (so-called multi-bi projects). Projects implemented directly or through a consultancy bureau represented 31% of the resources.

In 1990 it became policy to gradually focus project aid on four Andes departments, but in practice about 62.5% of the funds continued to be spent on activities carried out at the national level, or in more than one department.

Table 6.3 presents an overview of Andes Programme disbursements to the distinguished project categories.

A selective sample of ten projects was taken for detailed study, covering the categories listed in table 6.3. Other selection criteria were geographical location (either the department of Cochabamba or Potosí or both) and project size (small and larger projects). Total disbursements of the sampled projects amounted to Dfl. 40.1 million (27% of the Andes Programme budget spent on agricultural activities). The evaluated projects provide a cross section of project aid to the agricultural sector financed by the Andes Programme, as shown in table 6.4. Details of the sampled projects are presented in annexe 5.

The main projects in each of the categories listed are described briefly. The presentation of the results is restricted to those projects included in the sample.

**Table 6.3 Disbursements by the Andes Programme, 1982–95 (in Dfl. thousands)**

Category	Number of projects	Disbursements 1982–89	Disbursements 1990–95	Total disbursements	% of total disbursements
Single commodity production	6	6,725.5	26,768.1	33,493.6	22.5
Research and innovation	9	8,913.5	35,895.5	44,809.0	30.1
Integrated rural development	12	13,575.5	36,025.5	49,601.0	33.4
Other projects	10	2,093.0	18,722.4	20,815.4	14.0
Total	37	31,307.5	117,411.5	148,719.0	100.0

**Table 6.4 Projects in sample (number and disbursements)**

Category	No. projects Andes Progr.	No. projects in sample	Projects in sample	Disbursements to projects in sample (Dfl. thousands)
Single commodity production	6	3	Potato (PROSEMPA), wheat (CESAT), <i>tarhui</i> (CASDEC)	30,850.7
Research and innovation	9	2	Inoculants (Rhizobiology), agricultural export opportunities (Agricultural Development Project, cochineal study and pilot)	3,743.4
Integrated rural development	12	3	Mink'a, INDICEP, (and PROCADE-INDICEP)	4,173.3
Other projects	10	2	Support to grassroots organizations (CORACA-P); sustainable agriculture (CASDEC Natural Resources)	1,364.5
Total	37	10		40,131.9

### 6.2.2 Single commodity production

In this category of six the sample consisted of the three major projects: the largest project aimed at promoting the production of seed potatoes, one project focused on wheat production and a third on strengthening *tarhui* production. Two minor potato projects implemented by Bilance and SNV and a pig-breeding and -marketing project implemented by SNV complement this category.

The project for strengthening potato seed multiplication and distribution (PROSEMPA) was implemented by the National Seed Council, and technical assistance was provided by a consultancy firm. Between 1989 and 1995 Dfl. 23.2 million were disbursed to

strengthen systems of seed potato production, multiplication, distribution and use; to validate, adapt and transfer cultivation technologies; and to improve the economy of smallholder producers. During 1989–91, feasibility studies on the management of seed potato production were carried out in two areas, while during 1991–94 extension and training were provided in 24 production areas. Interinstitutional Potato Committees were installed in three departments. After 1994 the number of production areas was increased to 35 in six departments, while the organizational structure was strengthened at both national, departmental and area levels.

The rehabilitation of wheat production in Cochabamba was a continuation of a project initially funded by the co-financing agency NOVIB and implemented by an NGO. During 1985–93 Dfl. 6.4 million were spent to improve the living conditions of smallholder farmers by promoting wheat production. In 1987 a link with the small-scale Wheat Producers' Association (APT) was established. In 1991 reforestation and soil conservation became additional objectives. In practice, activities were aimed at improving wheat seed production, providing credit for wheat and wheat seed production and strengthening the institutional structure. One of the objectives of the producers' association was to influence wheat imports and price-setting at the national level.

The *tarhui* production and nutrition project was an extension of an existing activity initially funded by the co-financing agency ICCO. *Tarhui* (a plant of the lupin family) is a Highland subsistence food crop grown since the time of the Incas. It is rich in proteins, fixes nitrogen and is resistant to variations in weather conditions. The crop is grown mainly by women. During 1986–92, Dfl. 1.2 million was granted to increase the production and productivity of the crop, to promote its processing and marketing, to improve the nutritional status of the population by enhancing its consumption, to generate additional income to female producers and to strengthen their organization. Apart from promoting the production of *tarhui*, a processing plant was built for removing its bitter taste and flour mills were constructed. The consumption of *tarhui* and its processed and semi-processed products was propagated by educational programmes. A related soil conservation programme received separate financing.

### *Results*

Implementation of the seed potato project took place through agreements with over 30 institutions, providing technical assistance to 27 seed producer groups and directly benefiting over 5,000 families producing seed potatoes and 15,000 families producing consumption potatoes. The project assisted in the construction of 200 group silos and 700 individual silos. A credit component administered by the FDC remained undisbursed due to bureaucratic problems. As a member of the National Potato Programme, the project

played a catalytic role in the formulation of national and regional strategies on seed production, regulation and certification. The achievements of the seed potato project were the improvement of existing systems of production, multiplication and distribution of seed potatoes. A substantial qualitative improvement in the seed potato was achieved and methods of technology transfer were validated. Although initially no quantitative targets were set regarding volumes and productivity, at the national level the average yield of consumption potatoes increased from 4.5 to 7 tons per hectare as a result of the dissemination of quality seed. A substantial part of this increase in the production of consumption potatoes was registered by large-scale producers in the Lowlands. The productivity of seed producers, mainly small-scale producers in the Highlands, also increased. While the changes in productivity could be attributed to the project, the expected gains in the incomes of seed producers were partly offset by higher investment needs and production risks.

The wheat project succeeded in improving the quality of wheat seed and increasing the productivity of consumer wheat by small-scale producers. Quantitative results in seed production are open to interpretation, since weather and market conditions influence results. The total number of seed producers (200), hectares cultivated (200) and seed produced (160 tons) remained almost constant over time, but the production of consumer wheat increased in some areas by 50%. Wheat seed production had diminishing gross margins and marketing it was difficult due to fluctuations in demand. The project had hardly any effect on the seed producers' economic conditions. The producers' association was modestly strengthened, but the implementing NGO failed to transfer its responsibilities. The project registered a low recovery rate on its loans. The producers' association was not successful in lobbying against wheat imports at the national level, but at the regional level wheat production plans were developed and more favourable prices were obtained from milling companies.

The *tarhui* project was intended to be implemented in an entire province (Tiraque), but in practice its activities were restricted to a few villages reaching fewer than 300 families (30% of the target). The project focused on about 230 female producers, providing them with all kinds of assistance. Although external reviews of the project's overall achievements were critical, the project continued almost unaltered because of its alleged demonstration value for the Tiraque province. In four years' time the cultivated area increased by only about 25 hectares. Volumes and yields hardly changed; the scale of production, processing and marketing remained small and its economic profitability low. In the absence of sizeable surplus production, the sale of *tarhui* flour ran counter to the objective of improving the nutritional status of the population. Although *tarhui* consumption was promoted actively, no positive influence on local food habits was observed. Women's organizations aimed at *tarhui* production and processing disintegrated when the Dutch funding ended and project activities diminished. The project accomplished a

number of side activities, such as the construction of drinking water facilities, dip tanks and greenhouses.

### **6.2.3 Research and innovation**

A soil fertility and strategic fertilizer use project (Fertisuelos), implemented by the FAO, and a project on the introduction of rhizobium inoculants (Rhizobiology), implemented by the Agricultural University of Wageningen, were both related to the fertilizer aid provided by the Netherlands. Since 1986 the export opportunities in agricultural commodities had been studied and later explored by pilot projects co-financed with the World Bank (the Agricultural Development Project). Studies were coordinated by a Dutch consultancy firm and pilot projects implemented by NGOs and agricultural entrepreneurs. Later these activities were channelled through the newly established Bolivian Export Foundation. This Foundation provided venture capital for the establishment of new enterprises aimed at exporting such products as nuts, soya oil and processed garlic. In addition to the main project, the Netherlands financed a study on cochineal production, which initially was not among the identified options for research. The Netherlands believed cochineal to be a suitable export crop for production by small farmers. The FAO implemented a post-harvest research and innovation project, which financed the construction of over 100 workshops for silo construction and drying floors and introduced new processing equipment (over 4,500 machines were sold). The agricultural potential in relation to environmental and social conditions was investigated and mapped by establishing a network of data bases on Geographical Information Systems in the country (ZONISIG). Other studies included the potato subsector, the socio-economic effects of the dismantling of the national extension services and an extensive study on smallholder survival strategies.

Two projects in this category were evaluated: the rhizobium inoculant project and the feasibility study and pilot project on cochineal production, carried out in the context of Bolivia's efforts to expand its agricultural export opportunities.

Since 1989, the Agricultural University of Wageningen had been carrying out its project for the optimization of biological nitrogen fixation for agriculture, Rhizobiology. As of 1995 expenditures totalled Dfl. 3.4 million. The project's objective was the development of a sustainable agriculture based on an integrated management of the soil-plant system, incorporating crop rotation with leguminous species. The use of inoculants speeds up the biological fixation of atmospheric nitrogen in these species. Other objectives were the establishment of a factory for the commercial production of inoculants and the training of professionals in basic research and technology transfer to end users. During its first phase (1989–94) the project was linked to the CIAT and promoted the use of inoculants in



soya production among commercial producers in the Lowlands. At the start of the second phase (1994–98) activities were transferred to the Andes. Here, activities were focused on small-scale producers and leguminous crops like beans and peas.

The feasibility study on cochineal and cactus (*tuna*) production took place in addition to the World Bank Agricultural Development Project, which generated 28 feasibility studies. The study, carried out in 1991 at a cost of Dfl. 0.4 million, explored the export opportunities of cochineal produced as an additional cash earner for small-scale farmers. The study was based on previous experiences generated by a project financed by ICCO. Cochineal is a parasite (*Dactylopus coccus*) that infests the *tuna* cactus. It provides the highly valued natural cochineal (carmine) colour. The feasibility study was the core activity, followed by a pilot project on the production of cochineal.

### *Results*

The principal result of the Rhizobiology project was the annual production and marketing of almost 67,000 doses (1995) of the N<sub>2</sub> inoculant, sufficient for 85,000 hectares or about half the total area cultivated with soya. A commercially-run production plant for inoculants was established. The use of inoculants contributed to more sustainable agriculture in the Lowlands by diminishing the exhaustion of soils. The results of the use of inoculants under Highland conditions (focusing on small-scale producers) has yet to be proven. The project served as a training centre for agronomists, technicians and students.

Cochineal production proved to be one of the feasible export alternatives analysed by the Agricultural Development Project. Six pilot projects aimed at both producing and drying cochineal were implemented in four departments (75 families). The most important output was the development of a technology package suitable for small-scale producers. After three years the Bolivian Export Foundation followed up by financing a pilot project implemented by a specialized NGO. Later the Foundation also financed an additional study to analyse the marketing opportunities for large-scale production. This large-scale production, still in its exploratory stage, will benefit one commercial enterprise only in competition with the small-scale producers, which were originally envisaged as the beneficiaries.

#### **6.2.4 Integrated rural development**

Most of the twelve projects in this category were extensions of ongoing projects supported by the co-financing agencies. One single NGO supported by NOVIB (the Centre for Research and Advancement of the Peasantry CIPCA, see annexes 6 and 7) implemented agricultural development and credit programmes, which required about a quarter of all the resources in this category (Dfl. 12.3 million). One of the NGO networks

(UNITAS, the National Union of Institutes for Social Action, see chapter 7) administered the umbrella Alternative Programme for Peasant Development (PROCADE) and Peasant Support Programme (PRACA) (Dfl. 14.5 and 3.6 million respectively). Projects financed through the PROCADE programme aimed at improving living conditions by means of agricultural production, credit and marketing based on participative planning procedures. Projects were implemented in 5 departments and covered over 500 communities reaching 11,000 farm families. The other umbrella programme, PRACA, aimed at increasing agricultural production in 1,200 communities in 5 departments, mainly by distributing inputs such as improved potato seed. It reached over 50,000 families. The largest project not implemented by an NGO was the Mink'a project (see below). Other integrated rural development projects were financed in Chuquisaca (Dfl. 1.3 million), several in Cochabamba (totalling Dfl. 6.1 million) and one in Potosí (Dfl. 0.6 million). In this category the Mink'a project, implemented by the departmental development corporation of Potosí, and two small projects (one financed through the PROCADE umbrella programme) implemented by the same NGO were included in the sample.

The Mink'a project, located in the central provinces of Potosí, required Dfl. 3.8 million for the financing of an additional phase of an ongoing project (begun in 1983), assisted by the UNDP. The project was implemented by the development corporation of Potosí (at present the prefecture). The objectives were to increase rural incomes, reduce migration flows and achieve sustainability of activities by strengthening existing local organizations and promoting environmentally sustainable cropping practices. The project covered about 100 communities and involved 9,000 farm families. Its core activities consisted of the construction of infrastructural works for supporting agricultural production (terrace construction, soil conservation, micro-irrigation, reforestation, improvement of sheepfolds and cattle dips). Mink'a provided support services such as extension services, credit and marketing, and provided farmer training in various agro-economic techniques. The active participation of farm families was a unique feature of this project, which included a specific gender programme involving the organization of women, training and economic empowerment.

After initial support by the co-financing agency Bilance issued in 1984, the Cultural Investigation Centre for Popular Education (INDICEP) implemented two projects with resources from the Andes Programme budget. The first project (1986–88) required Dfl. 0.5 million and was an extension of an earlier support effort by Bilance. The objectives were to promote integrated development through the economic, social and cultural empowerment of small farming families and to promote the organization of communities. Main activities consisted of support for agricultural production (seeds, peach trees, construction of fishing ponds, cattle dips, irrigation canals and small-scale storage facilities), employment generation in non-farm activities (such as metal workshops, carpentries and

bakeries), as well as experiments with solar energy. The second project (1990–93) required Dfl. 0.4 million and formed part of the PROCADÉ programme. Its objective was the improvement of potato production and marketing in two zones in Potosí.

### *Results*

Despite Mink'a's ambitious targets, each component achieved a high degree of completion. The active participation of farm families enabled substantial achievements in erosion control programmes. While the programmes involving the construction of irrigation projects (132 systems for about 700 hectares, or 88% of the target) and terrace construction and re-construction (170 hectares) were almost completed, reforestation lagged behind (28 nurseries, 26% of the target). Extension services and training were provided to 5,400 farm families. Credit services suffered from a 25% repayment default. Results of direct marketing by producers' organizations were below expectation. The main achievements of the project were an increase in agricultural production (potato, wheat, barley, beans). Over 30 women's groups were organized and the position of women improved substantially.

INDICEP is a small NGO specializing in farmer-to-farmer education in the Oruro and Potosí departments. The first project produced no traceable physical results in the field (most activities had been concluded between 1986 and 1988), but villagers mentioned the strengthening of the unions and community organization as achievements of the NGO (not necessarily of the project). The NGO assumed the implementation of the PROCADÉ-financed project aimed at increasing the production of consumption potatoes by distributing improved seed. However, this project did not fit the NGO's philosophy of preserving Andean knowledge of cultivation practices and local potato varieties. The NGO was reluctant to promote a monoculture of an exogenous variety of potato. Since the small-scale farmers in these remote areas were accustomed to producing potatoes mainly for family consumption, the surpluses to be marketed were too small to justify the establishment of marketing organizations at community level and farm incomes did not increase.

### **6.2.5 Other projects**

Ten 'other projects' covered aspects such as irrigation infrastructure, greenhouses, horticulture, farmers' cooperatives and the strengthening of rural grassroots organizations. The highest disbursements were made to the FDC (Dfl. 4.6 million). An organization-strengthening project and a sustainable agriculture project were selected for evaluation.

The Peasant Agricultural Corporation (CORACA) of Potosí project formed part of a programme (Dfl. 1.8 million) administered by SNV to strengthen five grassroots organizations. The project was started in 1994 and provided assistance to the Syndicalist Confederation of Peasant Workers (CSUTCB) by strengthening its economic wing, the Smallholder Agricultural Corporation (CORACA-P), with the aim to contribute to socioeconomic improvement among communities in three provinces of Potosí. The project supported CORACA-P's core activities—the supply of agricultural inputs and the marketing of produce—through interinstitutional coordination, training, the introduction of high quality seed potato production and sheep breeding.

The project for the protection and management of natural resources for sustainable agriculture in Cochabamba (Dfl. 1.3 million) was linked to the *tarhui* project and aimed at the integral management of soil, water and vegetation by community organizations. Its activities consisted of the construction of terraces, infiltration gullies, improvement of irrigation systems, reforestation, protecting existing biodiversity, soil management and agronomical soil practices. An additional component was the construction of local drinking water systems. Emphasis was given to women's participation and the role of women in environmental management.

### *Results*

CORACA-P's project-supported activities were rather recent with few achievements to show as yet. Implementation was negatively affected by CORACA-P's weak managerial capacity and a lack of active participation by its members and affiliated farmers. Moreover, the technical and economic viability of producing high-quality seed potatoes was questioned, since the organization's weak capacities jeopardized the productive activities and marketing.

The project on the management of natural resources and sustainable agriculture succeeded in integrating soil management practices with agricultural production. The planned mechanical conservation practices were introduced and drinking water facilities were completed. The project's geographical coverage was rather small. It constructed 9 hectares of terraces and 13 hectares of infiltration gullies in 5 communities with 200–300 farm families. The biodiversity component consisted of a small plot reserved for the protection of a single endogenous species of tree. The integral management of natural resources did not become a priority among the community organizations involved, and with the discontinuation of the project most activities came to a standstill.

### **6.3 Evaluation**

The policy relevance, effectiveness, efficiency and sustainability of the individual projects were influenced by several specific features of the Dutch bilateral programme for the agricultural sector in Bolivia. This strategy for the agricultural sector was aimed at contributing to poverty alleviation and achieving economic self-reliance based on investments in small-scale agriculture. Various other donors (amongst others the World Bank and the SNV) did not share that strategy for the following reasons. Firstly, the agricultural potential of the Highlands is restricted to narrow valleys with specific microclimatic conditions. Satisfactory production can be achieved only under particular circumstances (for example, if use can be made of soils free of nematodes for the production of potatoes, if water is available around Lake Titicaca or if high investments are made, such as the construction of greenhouses). In general, the production of crops with a low gross margin or produced on a small scale under high-risk conditions does not provide a sound basis for combating poverty. Secondly, the World Bank and other donors considered the elimination of major constraints, such as the access to land and water, a prerequisite for assistance to the traditional subsector. Thirdly, agricultural production is losing its validity as a basis for the family economy. The temporary and permanent migration of family members, by which stronger rural–urban links are established, has broadened the scope for the family income generation. The small-scale producer is no longer only an agricultural producer, but also a trader, micro-entrepreneur, construction worker, etc. As a consequence, the family's investment priorities no longer rest solely in agriculture. The Dutch-financed projects paid little attention to these aspects.

#### **6.3.1 Relevance**

The projects were relevant in relation to the problems they were supposed to address as indicated in the appraisal documents, particularly those dealing with agricultural production through research, extension and training. Some of the project objectives were too ambitious. For example, reducing migration or changing food habits exceeds the possibilities of a single project.

Since Dutch support to the agricultural sector was not preceded by an in-depth analysis of the main constraints impeding its development, the project objectives were not always fully geared to ease these constraints. Project objectives were relevant in the light of problems in the agricultural sector, but could have been more relevant if major constraints had been taken into consideration. These constraints (land tenancy, the marginal role of agriculture in national policies, low public investment in agricultural support services, unfavourable market conditions, specific demographic composition) were considered

beyond the scope and mandate of the projects, although some of them could have been addressed (or at least taken into consideration), as shown by more recent projects.

Considering the broad and general terms in which policies were formulated in Bolivian national plans and strategies, compliance was high. However, since in practice these policies focused more on the commercial subsector than on the traditional and attached a high priority to export production, the inoculant and the cochineal projects were better suited to Bolivian policies than the others.

All projects evaluated complied with Dutch policies, since most of them focused on direct poverty alleviation in the traditional subsector. Of the ten projects in the sample, three were relevant to all three focal points of Dutch development cooperation: combating rural poverty, the focus on both the environment and gender. Two projects were not directly relevant to the objective of combating rural poverty, five not relevant to the environmental focus, while six were not relevant as far as the gender focus was concerned. Since Bolivia left the initiative to propose projects up to the donor, the methodologies of intervention used and the geographical areas and target groups selected primarily reflected the policies and perspectives of the Netherlands.

Two projects influenced policies at the national level: PROSEMPA took the lead in formulating a normative framework for the certification of the seed potato, while the inoculant project stimulated the drawing up of guidelines for the quality control of imported or locally produced inoculants.

### **6.3.2 Effectiveness**

The assessment of project effectiveness was hampered by objectives that were sometimes overly general or ambitious without any further quantification, the absence of feasibility or baseline studies, and the fact that external factors (e.g. climate) were often decisive to the results of the projects. Therefore in most cases only a qualitative judgement could be made as to the degree in which project objectives were reached.

#### *Single commodity production*

The effectiveness of the seed potato project was rather high: the project had wide coverage and played a catalytic role in the formulation of national and regional strategies on seed production, regulation and certification. The project led to better organization of the seed potato subsector. Existing systems of production, multiplication and distribution of seed potatoes were improved, but the results in terms of volume of seed potatoes produced were

modest. As a result of improved quality and better dissemination of seed, the average yield levels of consumption potatoes increased by about 50%. Some of the benefits were reaped by producers outside the target groups, being large-scale producers in the Santa Cruz department. Only a few small-scale seed producers established independent commercial seed production units due to higher investment costs and production risks.

The wheat project was effective in improving the quality of wheat seed and in increasing productivity of consumer wheat by small-scale producers. The production of consumer wheat, which increased in some areas by 50%, received more stimulus than the production of wheat seed. However, due to changes in market conditions the project was not very effective in improving the economic conditions of small-scale seed producers.

The effectiveness of the *tarhui* project was low. It attained only 30% of its target in terms of families reached. Both cultivated acreage and yields showed little increase, hence volumes produced remained small. Profitability of production and processing into flour was low. Contributions to improving the nutritional status of the population were negligible.

#### *Research and innovation*

The Rhizobiology project was very effective in producing and marketing sufficient inoculants to serve about half the total area cultivated with soya. The rapidly increasing use of inoculants by commercial farmers meant not only a 10% increase in yields (300 kg/ha) and incomes (US\$ 48/ha), but also a contribution to the balance of payments (US\$ 3.7 million per year). The study and pilot project on cochineal production were effective since they provided a feasible export option.

#### *Integrated rural development*

The effectiveness of the integrated rural development projects varied widely. The Mink'a project was effective in increasing agricultural production (potato, wheat, barley, beans) by about 100%, while the incomes of the target population increased by an average of 50%. The project was less effective in reducing rural–urban migration, since this objective exceeded the project's capacity. No tangible effects could be detected for any of the smaller projects implemented by INDICEP.

#### *Other projects*

Since the CORACA-Potosí project had been started rather recently, its effectiveness could not yet be ascertained. Its effectiveness in strengthening farmers' and community



*Potosí. Erosion control programme*

organizations was still modest. The project for the protection and management of natural resources for sustainable agriculture in Cochabamba was effective in establishing mechanical conservation practices, but its geographic coverage was rather limited.

#### *Cross-cutting issues*

The effectiveness of the sample projects in terms of policy priorities for agricultural and rural development stressed by the Andes Programme, such as poverty alleviation, food security, combating environmental degradation, Women and Development, supporting services and institutional development is described below.

In many projects implemented in the Andes belt, the direct effect on poverty alleviation was rather minimal because the agricultural potential of these areas is limited. Positive exceptions were the Mink'a project and to a lesser extent the PROSEMPA seed potato project. Most projects were intended to improve the standard of living by increasing agricultural production and productivity in a natural environment barely suitable for agriculture, and in an institutional environment lacking support services and marketing structures. Projects did not generate paid permanent employment, while the effects of temporary employment (e.g. wages for the construction of infrastructural works and soil conservation) were minimal.



The seed potato project was effective in contributing to food security at the national level. The projects were marginally effective in providing food security at the farm level. Research indicated that any additional production of consumption potatoes was usually marketed and not used for family consumption, except in remote areas lacking marketing opportunities. Varieties of potatoes and wheat that were in demand at the market replaced local varieties. Only a fraction of the income generated by sales was used to buy food. Only the *tarhui* project was directly aimed at improving the nutritional status of its beneficiaries, but it was not very effective in that respect.

In the Highlands and Valleys, small-scale farmers are aware of existing ecological problems, including soil erosion, but very few undertake conservation measures on their own initiative. Three of the ten projects had explicit environmental objectives, although in others the environmental factor was implicitly present. Only two projects paid attention to agronomic (contour ploughing, natural wind barriers) or mechanical practices (control of erosion gullies, infiltration ditches) aimed at soil conservation. The Mink'a project was very effective in this respect. The effects of the CASDEC natural resources project were modest.

In most of the project areas male migration is substantial, implying that agricultural activities are left increasingly to women. Except for Mink'a, projects did not adjust their approach accordingly. Four of the projects began with specific gender objectives, three of which faced difficulties in the operationalization of a gender approach. Three projects incorporated such an approach at later stages. Most projects provided training and support to the organization of women, but only the Mink'a project included economic empowerment and mainstreaming.

The support services consisted of technology transfer, credit and marketing. Most of the projects had positive effects with regard to the transfer of technology. The research and innovation projects were most effective in this area, but technology transfer played an important role in all projects, be it seed production, new export products or the use of inoculants. Except for the inoculant project no new technologies were introduced, but existing knowledge was utilized effectively.

Three of the ten projects established rotating credit funds to provide seasonal credit to small-scale producers. Legal impediments in Bolivia hinder experimentation with credit systems,<sup>18</sup> while the risks of agricultural production in the Highlands result in low repayment capacity. Although credit proved to be an incentive for adopting new

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<sup>18</sup> Several NGOs and projects transferred their credit activities to institutions specializing in rural credit, such as the National Ecumenical Development Association (ANED) and the Cooperative Development Fund (FONDECO). Some lending NGOs formed their own network in 1995, AFIN-Rural.

production techniques, the projects were not effective in establishing lasting seasonal credit mechanisms. Four of the ten projects developed activities in the field of agricultural produce marketing, usually by improving collection points and local storage capacity. Direct intervention in the market in order to obtain better prices for products was not effective, and linkages between producers and traders were not developed.

Eight of the ten projects were specifically geared for institutional strengthening. Most activities were restricted to the organization of producers at a local or regional level. Only the potato and wheat projects included the national level as well. The strengthening of public entities was hindered by frequent organizational changes both at the national and departmental levels. As a result the effectiveness of institutional strengthening was disappointing. The strengthening of grassroots organizations was mixed.

### **6.3.3 Efficiency**

In terms of project cycle management, the efficiency of Dutch assistance to the agricultural sector was mixed. The process of identification, formulation, appraisal and approval of the projects was often prolonged over several years, especially when the project proposals had to comply not only with the requirements of the DGIS but also with other guidelines such as those stipulated by the multilateral organizations or the co-financing organizations. In eight of the ten projects evaluated, DGIS reduced the proposed duration (and budget) of the activities at appraisal stage. Projects were generally approved for a limited period of time, usually determined by budget considerations and not for technical or agronomical reasons. Larger projects were subdivided into implementation stages, and after each stage a decision on extension was taken. In some cases extensions were accorded without any review of the completed phase or simply because no specific targets had been set. Only INDICEP and the cochineal project concluded their activities within the predicted time limit; all others were extended at least once.

Except for the research projects, all projects planned their activities according to the budget available (for each stage) and not as functions of goals or targets set. Projects were concluded when financial resources ran out and not necessarily when the objectives or goals were achieved. In some cases counterpart contributions were lacking or delayed. In the case of the *tarhui* project, an external audit conducted in 1995 detected administrative irregularities and its financing was discontinued.

Most projects were efficient in their use of human resources, especially the larger and more specialized projects (such as the potato and inoculant projects). In the smaller projects implemented by the NGOs (the wheat project, for example), the profes-

sional expertise required for implementation did not match the human resources available.

Seven projects established a monitoring system for their activities, and one (Mink'a) even carried out its own impact assessment. Six projects passed through one or more external evaluations. Only Mink'a carried out a cost/benefit analysis of its own performance, both for the total project as well as for each component. The project proved to be efficient in resource allocation and recommended efficient farming practices. Two projects (potato and inoculants) monitored the agricultural recommendations made to farmers based on value/cost production ratios at farm level, but not at an aggregate level (community, project or national). The use of inoculants proved to be an efficient practice at farm level in the Lowlands, while the production of seed potatoes in soils free of nematodes in the Highlands was efficient compared with other crops.

Most projects in the agricultural sector aimed at poverty alleviation. Efficiency gains could have been made in this area if project strategies had paid more attention to the demographic characteristics and dynamics of the rural population in the Highlands. Except for Mink'a, none of the projects related the issue of women staying behind with aspects of mixed farming and rural off-farm activities.

The efficiency of project aid to the agricultural sector was influenced by a number of factors pertaining to Dutch aid in general. Initially (during the 1980s) many of the projects were extensions of activities previously supported by the co-financing agencies. These projects were small in size and covered a specific geographic area, so they were not able to deal with the overall constraints affecting the development of the traditional subsector. After 1987 interventions grew in magnitude and increasingly focused on research and innovation. New projects covered almost all aspects of the production cycle—research, the provision of input, production, post harvest treatment and marketing—but the various projects were not integrated or mutually reinforcing. Since 1995 efforts have been made to overcome this shortcoming. Research and marketing mainly supported the commercial subsector, whereas projects focusing on production, extension and post harvest treatment were carried out in the traditional subsector. While some projects stimulated agricultural modernization (high external input use), others focused on low external input agriculture. In some areas two or more projects conveyed both these extension messages simultaneously to the same farmer. At farm level mixed farming predominates, but the projects dealt only marginally with livestock production.

### **6.3.4 Sustainability**

Sustainability refers to the potential to maintain the achievements of the activities supported after the termination of donor assistance. Several of the projects evaluated still continue. The benefits of the projects that completed their activities (INDICEP, the wheat, *tarhui* and natural resources projects) could not be prolonged since the organizations involved lacked the financial means to consolidate and maintain activities and lacked mechanisms for cost recovery.

Most projects provided support services for production. Since the public sector no longer provides these services, they should become self-supporting, for example by cost-recovery from the users. Only a few projects developed the necessary strategies: Rhizobiology established a self-supporting production plant of inoculants, and the potato project established national and regional organizations to consolidate the production and certification of seed potatoes.

All projects assumed that the recommended technologies were suitable for the farming system, profitable to the producer and hence sustainable. In most cases the technologies being disseminated had never been tested for long-term technical sustainability. Although the technologies introduced were adopted by the farmers, technical sustainability depends to a large extent on financial sustainability at farm level. Subsidies made available to the farmers by the projects (such as the supply of high quality seed) hid real production costs, while input availability (certified seed, mineral fertilizers) cannot be guaranteed. The highest input requirements were for profitable cash crops (potatoes, soya), and if inputs are available the financial sustainability at farm level remains high, notwithstanding the elimination of subsidies. Subsidies on wheat production were relatively high and gross margins smaller, and production, in particular by smallholders, appeared to be financially less sustainable. Except for the seed potato project, the projects did not incorporate a consolidation period aimed at getting farmers accustomed to a post-project situation.

In Bolivia mineral fertilizers and agro-chemicals are used almost exclusively for potato production. Application levels were low compared with neighbouring countries and did not jeopardize environmental sustainability. Mechanization as a result of the introduction of modern production techniques caused wind erosion of soils in some Highland plains. Labour required for mechanical soil conservation practices, such as ditching infiltration gullies, was usually paid for by the projects, and with few exceptions farmers did not continue these soil conservation practices after the projects ended.

Most projects strengthened existing grassroots or community organizations. In general, insufficient attention was paid to transferring responsibilities, skills and management

capacities to these organizations. Compared with the existing organizations, only few of the newly established organizations performed well and most discontinued their activities once the external assistance was ended. Although the projects contributed to capacity building (training of human resources), strengthening of public sector entities was hardly sustainable due to frequent organizational changes.

During both the appraisal and the implementation stages, the projects paid insufficient attention to the consolidation, transfer and sustainability of the activities embarked upon.



## 7 Activities of the co-financing agencies

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Since 1965, 6 to 10% of the annual Dutch development cooperation budget has been administered by the Co-financing Programme.<sup>19</sup> This programme provides funding to four co-financing organizations, or CFAs, in the Netherlands (Bilance, HIVOS, ICCO and NOVIB<sup>20</sup>) to execute development projects and programmes through counterpart organizations in developing countries. These four Dutch CFAs represent different religious and social streams, covering a broad range of beneficiary groups. Apart from this regular funding from the Co-financing Programme, the CFAs also, until recently, received funds from the DGIS regional, sectoral and thematic budgets to support the projects of their partner organizations. This was called additional financing. CFAs also collect their own funds in greater or lesser volumes through periodic public campaigns or the enlistment of regular subscribers.

Co-financing agencies were active in Bolivia before Dutch government-to-government development cooperation started in 1982. Their activities are a significant component of Dutch development cooperation with Bolivia due to their long-lasting character, their widespread coverage, the volume of funds invested and the participation of a broad range of individuals and institutions. From the early 1970s until 1995 more than Dfl. 100 million has been spent in Bolivia under the Co-financing Programme. With the inclusion of the additional funding from other budgetary categories such as the Andes Programme, between 1970 and 1995 Dfl. 204 million has been channelled to the CFAs to finance over 400 projects in Bolivia (see section 7.2). This represents 27% of the total Dutch development assistance to Bolivia up to 1995.<sup>21</sup> Since Bolivian NGOs were also involved in

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<sup>19</sup> This amount has grown from 6% to 9.75% of the total development cooperation budget for 1998. In 1995, it amounted to Dfl. 436 million. At present it exceeds Dfl. 500 million. At the beginning of 1997, the corresponding agreement was renewed.

<sup>20</sup> The co-financing organizations are: Bilance, the Catholic development organization; prior to its fusion with Vastenactie (Lenten Campaign) in 1995, it was known by the name of CEBEMO; ICCO, the Inter-church Organization for Development Cooperation; NOVIB, the Netherlands Organization for International Development and HIVOS, the Humanist Institute for Cooperation with Developing Countries.

<sup>21</sup> The following analysis includes all the activities funded by the CFAs in Bolivia, i.e. those financed through the Co-financing Programme as well as those financed through other resources such as additional financing from the Andes Programme.

activities financed by other budget categories, they were responsible for the implementation of 47% of all disbursements. Approximately 100 NGOs are being supported via ongoing activities at the moment.

### **7.1 The NGO sector in Bolivia<sup>22</sup>**

Each NGO in Bolivia has its own specific history, and its activities must be seen from this historic perspective. The oldest political, labour and charity organizations go back many decades. The oldest counterparts of the Dutch CFAs date from the 1960s and 1970s and frequently had their origins in organizations of the Catholic Church. In the 1970s a number of them emerged in opposition to the dictatorships then in power, or developed into opposition group. They defended human and socio-economic rights and centred their work on popular education and organization in an effort to create a better society. Leaders and members of these NGOs were among those prosecuted and killed by the military regimes. After the return to democracy new NGOs were created, partly in an attempt to address pressing socio-economic needs and institutional challenges, partly in response to the drought and floods that struck the country during 1983 and in subsequent years. In the early 1980s several private organizations were set up to deal with the problems of indigenous groups in Eastern Bolivia, and later on organizations were founded to address the Women and Development issues. Much attention was also paid in those years to institutional development and advocacy, to problems of agricultural development and to the problems of 'relocated' miners and their families. These miners lost their jobs in 1985 as a result of structural adjustment policies. During the late 1980s many NGOs made a shift towards more productive activities. Hence, in each historical episode the NGOs took a distinct and often critical position with regard to the problems of society at large and the government in power.

The accelerated growth of foreign aid and the formulation of new policies since the mid-1980s have led to a quantitative 'explosion' of NGOs. Their proliferation was further stimulated by the growing number of international organizations present in the country (at least some 70 international NGOs). Many professionals, made redundant in the public sector, started NGOs or joined existing ones. Estimates, which vary according to the definition of NGO being used, reached a total of 800 NGOs for 1990 (Oostrijk 1990). Van Niekerk showed that the enormous growth in the number of NGOs during the 1980s was partly due to the availability of funds for development cooperation.

Of the 380 NGOs Van Niekerk included in his study at, two-thirds were located along the central axis of La Paz-Cochabamba-Santa Cruz and only one-third operated in the rest of

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<sup>22</sup> This section draws partly on Van Niekerk, *NGOs in Bolivia: an introduction to the debate on their new role from 1985 onwards*, in Wils 1995.



the country. Often engaged in more than one sector, two-thirds were mainly involved in activities in the educational sector, somewhat more than half in agricultural and associated activities, somewhat less than half in health, and almost 30% in environmental activities. Other sectors were of less importance. Some 40% of the NGOs had annual budgets below US\$ 100,000, another 40% between US\$ 100,000 and 500,000, while only 10% were classified as 'large NGOs' since they operated on more than US\$ 1 million a year.

In April 1996, 501 NGOs were officially registered in the NGO Directory of the vice-ministry for public investment and external finance. The large rural NGOs carry out their activities in specific areas, where their influence is quite significant given the weakness or total absence of the public sector. A 'territorialization' process occurs among NGOs by which each NGO respects the others' marked geographical areas. Although initially the work of the NGOs was mainly based on a sense of commitment and idealism, they have gradually undergone a process of professionalization, developing a more formal organization and delineating boundaries and responsibilities. NGOs are an important source of employment (e.g. in 1992 the 64 NGOs located in El Alto had an average of 20 workers each, half of them university graduates; some rural NGOs had over 100 employees). In the larger NGOs decisions on projects and programmes are now taken in planning committees, separated from the divisions directly in charge of implementation. The monitoring of activities has led to a more bureaucratic but efficient internal management. 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 inter-institutional networks. The oldest is the National Union of Institutes for Social Action (UNITAS), originally aimed at information, services and training. It has played a crucial role in the development of regional networks in practically all departments. The Association of Education and Extension Institutes (AIPE) brings together 30 organizations. These networks, together with the Association of Radio Education of Bolivia (ERBOL), have formed the National Network Coordinator (CNR), which comprises about 130 NGOs from seven departments. The principal activity of the national networks is to coordinate, provide information and contribute to the alternative development discourse. There are also departmental and thematic networks in such fields as communication, credit, gender and health. Furthermore, several donor cooperation agencies have established mechanisms through which they consult their partners and discuss policies and future projects (NOVIB, ICCO, USAID, etc.). The Bolivian government has also stimulated the creation of various inter-institutional fora: there are, for example, the Rural Development (DRU) Groups in each department, linking all the organizations active in the rural areas of the country. For member NGOs the advantages of belonging to a network include prestige,

mutual and foreign contacts, financial mediation, international representation, and the adoption of common policies. While continuously critical in its position with the governments in power, NGOs expanded their capacity to come up with innovative proposals and over the years a new type of relationship with the government has developed.

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

### **7.2.1 Policies**

According to the agreement of the Co-financing Programme, the CFAs are to contribute to the main objective of Dutch development cooperation, that is, the structural alleviation of poverty through the improvement of the living conditions of impoverished groups and individuals in developing countries. The Co-financing Programme's specific objective are: to defend and strengthen the universally-acknowledged human rights of the target group and the civil, political, economic, social and cultural aspects thereof; to promote and facilitate the target group's participation in and control over society's political, economic, social and cultural development, and to help the target group eventually become self-supporting. The programme's intention is to generate direct benefits for its target groups and to facilitate access to basic services. It also pays special attention to the position and participation of women in society as well as to the environment, as part of an overall effort to achieve sustainable development.

Though the Netherlands government finances the programme, the co-financing agencies bear executive responsibility. Until 1980 the Ministry of Foreign Affairs approved each project. From then on, the agencies enjoyed autonomy in the selection of counterparts and projects, reporting their achievements annually after the fact both to the Ministry and the public at large. The agencies must inform the Ministry before the fact only when they believe certain projects may act 'against the interests of friendly states', or when they feel certain projects may not be in keeping with the Ministry's overall policies. In cases where bilateral government cooperation was not feasible or possible, co-financing agencies have served as an alternative channel to reach the target groups. This has happened in countries with which the Netherlands did not maintain diplomatic relations, or where the government was not deemed suitable as a recipient of government-to-government aid.

The co-financing agreement between the agencies and the Dutch government (DGIS) imposes a series of common procedures and objectives on the four agencies. To represent and coordinate their activities vis-à-vis the Ministry, the CFAs meet in the GOM (Co-financing Consultative Body). DGIS and the CFAs carry out sectoral, thematic and

regional evaluations on a regular basis. The four agencies finance some joint programmes in areas that they consider strategic. In Bolivia they have financed such programmes through the GOM (see below).

### 7.2.2 Programmes

National and international conditions (democratization, neo-liberal policies, the increase in development cooperation with Bolivia) have encouraged the development of a more coherent strategy among the CFAs since the mid-1980s. Until the drought of 1983, CFA activities had followed a more or less ad hoc course. The emergency programme '*Plan Sequía*' (Drought Plan), initiated by the NGO-network UNITAS, was supported by all four CFAs. During this period they conceived longer-term policies with a broader vision. Since then, the central strategy of the CFAs has been the promotion of integrated rural development and the socio-economic strengthening of indigenous and peasant communities. Overall policies and planning and evaluation guidelines acquired increasing importance, incorporating gender and sustainability dimensions.

Since the early 1980s the CFAs have supported activities focused especially on Women and Development. Since the 1990s a broader gender perspective has been adopted.<sup>23</sup> The CFAs strongly encouraged their partners to achieve a more gender-oriented approach in their work. Advice, guidance, monitoring and evaluation, dialogue, training and funding were all used in this effect. Testing on gender effects became a permanent criterion in the assessment of proposals, and a number of them had to be re-drafted to include better a gender approach. The co-financing agencies also designed working plans for Bolivia, defining priority regions and themes. This process among the CFAs was paralleled by a process of professionalization of aid in general, which also affected their counterparts in Bolivia. The programmes of the four individual agencies are briefly introduced below.

Bilance has developed the programme with the greatest number of activities in Bolivia and with a broad geographical scope. Initially, Bilance focused on rural education and training. This emphasis has broadened to include agricultural projects, the training of extensionists, and peasant organization and rural development, including rural credit programmes. In the mid-1980s, Bilance supported the reintegration of miners into society. Education was provided for the indigenous *Altiplano* population, and several productive and social programmes were funded for the Aymara population. Bilance also supported health programmes (infrastructure, training) and developed special women's programmes. The support provided to radio broadcasting stations such as Radio Esperanza continues to be one of the programme's components.

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<sup>23</sup> See chapter 9.

The main concern of ICCO in Bolivia is the future of the indigenous Andean population. From 1980 onwards the ICCO has supported projects in the rural *Altiplano* and in the *Valles*, cooperating with various Bolivian NGOs. In the 1980s ICCO supported the miners and focused attention on the defence of human rights, education and training, and Women and Development. In the 1990s ICCO began to support credit organizations, both in rural and urban areas.

NOVIB began its work in Bolivia in 1972 with a nutrition programme carried out in schools as part of the campaign 'Guest at Your Table'. Since the 1970s NOVIB has supported rural development programmes, especially in the Valleys. NOVIB had no specific policy with respect to Bolivia beyond applying its general guidelines, with an emphasis on education and popular organization. NOVIB has cooperated mainly with three large regional development institutes. It has also financed an anti-migration programme and urban programmes such as women's centres, and has provided support to small enterprises. The list of NGOs supported by NOVIB has not varied much during the past ten years. In comparison with the other CFAs, NOVIB has concentrated its support on a smaller number of counterparts and larger-scale projects.

HIVOS first became active in the Andes belt, with its main thrust in productive projects. Later it concentrated on human rights issues involving the indigenous population of Eastern Bolivia. Another area of interest for HIVOS has been Women and Development.

Some CFAs have established mechanisms to promote dialogue regarding policies and strategies with their local counterparts, such as the Montevideo Dialogue of Balance, ICCO's Rural Secretariat and NOVIB's Partner Platform. Nowadays dialogue also takes place between the GOM and counterparts in Bolivia. Finally, a certain level of coordination and cooperation exists between GOM members and the SNV, while consultations with the Dutch Embassy and other donors take place on a regular basis.

In order to channel their resources and apply their strategies, CFAs finance the activities of local organizations (especially NGOs), trying to maintain a package of projects that together reflect the policies of the respective agency. For this purpose they have different management options at their disposal: selective approval of the numerous project proposals reaching the agency; an active search of adequate NGO counterparts; the creation of 'spearhead' projects; the modification of projects and strengthening of existing NGOs (via consultancies, evaluations, financing), and finally, the early termination of financing. NGOs are selected or rejected on the grounds of their policies and their implementation capacity.

The budget of the co-financing agencies for the year 1995, on a worldwide level, was as follows: Dfl. 170 million for Balance; Dfl. 60 million for HIVOS; for ICCO, Dfl. 165 mil-

lion and for NOVIB, Dfl. 218 million.<sup>24</sup> The investment in Bolivia made by the four agencies accounts for respectively 2%, 3%, 3.9% and 4.1% of their worldwide budgets. Table 7.1 presents details of the total amount of aid in Bolivia per CFA and of all of the CFAs combined from 1970 to 1995. In 25 years a total of Dfl. 204 million, including additional financing by DGIS, was spent on more than 400 projects. Until 1975, CFA activity in Bolivia was limited in financial terms and dominated by Bilance. In the years 1975–86 annual CFA financing fluctuated between 2 to 6 million guilders, with the exception of 1983 (Dfl. 9 million), the year of the drought, when the four CFAs jointly supported the ‘*Plan Sequía*’. With the start of the Andes Programme and the subsequent opportunity to draw on additional DGIS funds, CFA support to Bolivia has increased considerably, amounting to around Dfl. 20 million annually for the four agencies combined.

**Table 7.1 Distribution of disbursements by period and CFA, 1970–95 (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

Apart from Bilance, whose activities in Bolivia have grown steadily over time, the CFAs have doubled or even tripled their financial support in the last five years. Over half of all funds have been spent since 1990. NOVIB has been the largest financier, with nearly 37% of the total disbursement, followed by ICCO (30%), Bilance (25%) and HIVOS (8%). The majority of the projects was smaller than a quarter of a million guilders.

Bilance has had more than 100 counterparts over the years, ICCO about 70, NOVIB 35, while HIVOS has funded some 20 organizations. More than 95% of the activities were carried out by Bolivian non-profit organizations (NGOs). In general, the CFAs maintain a gentleman’s agreement not to interfere with each others’ counterparts. As a consequence, apart from the emergency aid in the 1980s and the GOM activities, only Bilance and ICCO have coincided in funding same seven organizations. NOVIB, ICCO and Bilance currently each have between 25 and 30 counterparts in Bolivia, while HIVOS has 18.

All four CFAs have established long-term relationships with their principal counterparts. Bilance has supported Cultural Action Ayola (ACLO) for more than ten years, as has NOVIB in the case of CIPCA. Other longstanding relations are or were maintained with

<sup>24</sup> Including additional financing and the CFAs own resources.

the NGO Aid to the Indigenous Peasantry of Eastern Bolivia (APCOB; HIVOS), the Educational Institute for Rural Development INEDER and the Polytechnical Institute Tomás Katari (IPTK; NOVIB) and the Centre for the Advancement of Mining (CEPROMIN; ICCO) and the San Gabriel Foundation (Bilance). The duration and level of commitment of CFA support to any given NGO counterpart may well vary according to the main type of funding. Trust is an essential factor in deciding the type of financing. This trust depends on the degree to which a partner is known (duration of the relation); the partner's level of institutionalization (professionalization); compatibility of objectives and working methods; and the quality of results previously achieved. The main types of financing are the following:

- Project support: the financing of a relatively small project of new, experimental or small counterparts or those seen as institutionally weak.
- Institutional or structural support (generally through three- and five-year plans). This type of financing expresses a greater degree of trust and a more permanent relationship with the counterpart. Co-financing agencies provide structural support to a few dozen organizations, which in turn carry out various projects in different areas or zones.
- Trust funds: an example are the funds destined to create a credit fund.

Financial support is also given to bridge the period between two projects (phases) and to consolidate or transfer activities when funding stops.

The sectoral distribution of CFA-supported activities by CFA is given in table 7.2. Agriculture and forestry account for about one-fifth of total disbursements. Support to the (small) industrial sector and other economic infrastructure has been just over 6%. Support to the social sector covers nearly 35% while support to the communications subsector is 3.5%. Multisectoral support has been important for all four CFAs (30.2%). In terms of sectors, Bilance stands out with its support to radio education, while NOVIB has funded many agricultural activities (amongst others programme support to CIPCA). HIVOS has provided much multisectoral aid to the ethnic minorities of the Lowlands. Food and/or emergency aid was important in the earlier years, and only for Bilance and NOVIB.

Since 1970 the majority of all CFA funding has taken place in the departments of Cochabamba (19.2%), La Paz (14.3%) and Santa Cruz (11.3%), as well as in a combination of departments or nationally (42.4%). The concentration along the central axis La Paz–Cochabamba–Santa Cruz is a characteristic common to all four CFAs as well as to foreign aid to Bolivia in general (see table 7.3). HIVOS concentrates on the rural part of the department of Santa Cruz (ethnic minorities). Although they all draw heavily on additional funding from the Andes Programme, none of the CFAs has a strong presence in this Programme's concentration regions apart from Cochabamba. Less than 10% of all disbursements are spent in the departments of Chuquisaca, Tarija and Potosí combined. Available 'poverty maps' reveal that economic development is greater along the central

**Table 7.2 Distribution of aid by CFA and sector, 1970–95 (in Dfl. thousands)**

Sector	Bilance	%	HIVOS	%	ICCO	%	NOVIB	%	Total	%
Agriculture/forestry	5,257	10.2	1,593	9.7	9,856	16.1	22,209	29.7	38,915	19.1
Industry	825	1.6	209	1.3	6,504	10.6	50	0.1	7,588	3.7
Other economic infrastructure	1,303	2.5	920	5.6	2,598	4.2	1,042	1.4	5,863	2.9
Education	13,307	25.8	677	4.2	3,857	6.3	13,705	18.3	31,546	15.5
Health	2,408	6.9			4,093	6.7	239	0.3	6,740	3.3
Social infrastructure	10,903	21.8	3,028	18.5	12,016	19.6	6,670	8.9	32,617	16.0
Communications	5,712	11.1			1,518	2.5			7,230	3.5
<b>Multisectoral</b>	8,296	16.1	9,734	59.5	17,321	28.3	26,281	35.2	61,632	30.2
<b>Food/emergency aid</b>	2,229	4.3			58	0.1	3,103	4.2	5,390	2.6
<b>Others</b>	1,406	2.7	195	1.2	3,453	5.6	1,454	1.9	6,508	3.2
<b>Total</b>	51,646	25.3	16,356	8.0	61,274	30.0	74,753	36.7	204,029	100.0

axis than throughout the rest of the country. Therefore, the concentration of foreign aid along this central axis La Paz–Cochabamba–Santa Cruz is often criticized, as the poorest parts of the country are only marginally attended.

**Table 7.3 Distribution of aid by region and CFA, 1970–95 (in Dfl. thousands)**

Region	Bilance	%	HIVOS	%	ICCO	%	NOVIB	%	Total	%
Cochabamba	9,288	18.0	72	0.4	11,818	19.3	18,077	24.2	39,255	19.2
La Paz	8,152	15.8	3,590	22.0	13,719	22.4	3,647	4.9	29,108	14.3
Santa Cruz	8,456	16.4	9,338	57.1	1,179	1.9	4,087	5.5	23,060	11.3
Potosí	2,451	4.7					3,463	4.6	5,914	2.9
Other departments	7,740	15.0	299	1.8	3,598	5.9	5,876	7.9	17,513	8.6
More than one department	8,691	16.8	2,314	14.2	15,629	25.5	34,496	46.1	61,130	30.0
National	6,570	12.7	743	4.5	13,273	21.7	4,804	6.4	25,390	12.4
Others/unknown	298	0.6			2,058	3.4	304	0.4	2,660	1.3
<b>Total</b>	51,646	25.3	16,356	8.0	61,274	30.0	74,754	36.7	204,030	100.0

The CFAs carried out the following joint projects, funded via the GOM:

- Agricultural and rural development: the ‘*Plan Sequía*’ gradually evolved from providing mere emergency relief into a programme of integrated rural development within the peasant economy (PRACA/PROCADE). Activities covered five departments in the Andes belt;

- Economic studies: the Bolivian research institute CEDLA received support to analyse the social and economic effects on the population of the government's neo-liberal policies since 1985;
- Gender strategy: in 1994 the Women's Coordinating Committee of La Paz (CDLM) was entrusted with the design and execution of a Gender and Development Training Programme for the staff of partner organizations;
- Analysis and reflection: a sociological study on the NGOs in Bolivia (1994–95).

All together the CFAs have channelled more than twenty million guilders via the GOM to these four projects (more than 10% of their total financing to Bolivia), of which the greatest part went to the PRACA/PROCADE. The first three activities were initially supported by DGIS, but funding of the first two was subsequently discontinued. The last activity was concluded in 1995.

### **7.3 The sample for in-depth study**

The information presented in this and the following sections is based on a selective sample of 34 projects (carried out by 33 counterparts). The criteria for the selection of sample projects were as follows: the sample had to:

- include a balanced number of projects funded by each of the four CFAs;
- follow the geographical focus of the overall study, including some projects at the national level and some in the Lowlands in line with the emphasis of the various CFAs' programmes;
- cover the CFAs' programmes' various socio-political, economic and cultural activities;
- include the different ethnic groups falling under the CFAs' programmes.

The period under study comprises the whole duration of the Co-financing Programme, but focuses on the period since 1985. In this way the sample provides a good illustration of the multifaceted CFA Programme in Bolivia.

In addition to the results of the projects per se, attention was also paid to the characteristics of the counterpart organizations, as these were an important variable determining the results of the projects and often helped to explain the relative success or failure of individual projects. Moreover, most CFA-counterpart relationships could not be reduced to simple project funding, as the majority of the counterparts had a broader, institutionalized relationship with their agencies. In a number of cases, the CFAs provided general support to the programmes or to the three- or five-year plans of their counterparts and did not fund specific projects. Therefore, a brief description of the counterpart organizations will be given in section 7.3.1, before the project results are elaborated upon.



### 7.3.1 *The counterpart organizations in the sample*

Some basic characteristics of the counterparts responsible for the projects in the sample are presented below. First a brief overview will be given based on a broad categorization of the counterpart's goals and activities. Then some comments will be made on their finances and management. Further, attention will be paid to their institutional relationships and influence on government policies. Finally their relationship with the Dutch CFAs will be dealt with.

In the sample there were 33 counterpart organizations carrying out a total of 34 projects. Annexe 6 gives an overview of the basic characteristics of the counterparts. They can be roughly subdivided into three broad categories on the basis of the goals they pursue and the related activities they carry out, although some counterparts appear under two categories as they combine several goals and/or activities:

#### *Counterparts with a sectoral focus*

- Agriculture/forestry and integrated rural development (including education, communication and organizational strengthening): ACLO, CER (Service and Support Centre for Wheat Production), CETHA (Technical, Humanistic and Agricultural education Centre), CIDRE (Research and Regional Development Centre), CIPCA, COD (Departmental Labour Union), ICADES (Institute for Socioeconomic Development Training and Support), INCATEM (Technical Training Institute for Women), INCCA (Araní Peasant Training Institute), INEDER, IPAM (Miners' Extension and Advisory Institute), IPTK, Qhana, SEAPAS (Archidiaconal Secretariat for Pastoral Social Work);
- Income and employment generation: CISEP (People's Research and Service Centre), CISTEM (Centre for Social Research and Multidisciplinary Team Work), Alpaca Works, INCATEM, Sartawi, the last three of which are especially focused on women;
- Provision of credit: ANED, CIPCA, IDEPRO (Institute for Small Scale Productive Development), Sartawi.

#### *Counterparts focused on special groups*

- Women: Women's House of Santa Cruz, CDLM, Gregoria Apaza; and Alpaca Works, INCATEM and Sartawi as mentioned above under income and employment generation;
- Indigenous population: APCOB, CIDOB;
- Miners: CISEP, IPAM.

#### *Counterparts with a thematic or professional specialization*

- Human rights: APDHB (Permanent Assembly for Human Rights of Bolivia), SERPAJ (Service for Peace and Justice);

- Networking: AIPE, UNITAS;
- Research, advice and guidance: CEDLA-Bolivia, Clave, OSAP (Social Organization for Support to Projects), Sinergia.

The above categorization has to be seen as a broad and rather crude ordering of a complex reality. Many organizations, in fact, combined activities in different fields such as agriculture, health, education, training, etc. Sometimes this was due to the ‘integrated’ character of the programmes they carried out, but it also reflected a lack of specialization. A number of these NGOs focusing on integrated rural development programmes, including some with a more limited sectoral specialization, had a wide geographical coverage of up to several departments and served tens of thousands of beneficiary households. Organizations with a clear sectoral focus, e.g. agriculture, often combined different stages of the production cycle in their programmes and projects: research, training, extension, provision of credit, marketing, etc. When an organization focused on a specific target group, a wide range of services was also frequently offered. In newer organizations there was a stronger tendency towards specialization.

Regarding the focus on Women and Development or a gender-specific approach, the following can be said. A number of the NGOs supported have developed special policies or goals regarding women. Some activities had a more practical or technical orientation, while others focused on organizational and institutional aspects and on dissemination and advocacy. A few organizations also provided legal and psychological support.

About a fifth of the organizations in the sample worked mainly or exclusively with women. Examples are Alpaca Works, which supported women in the design and marketing of home-knitted clothes. The Women’s House focused on organizing and training migrant women in Santa Cruz and worked with all type of women’s action groups. The Women’s Coordinator is a network and platform of women’s organizations. Another third of the counterparts included activities especially focused on women in their programmes. Example organizations are INEDER, SERPAJ, ACLO, AIPE and the IPTK, all of which had one or more women’s component in their programmes such as special training, credit programmes, home gardening, daycare centres, drama, education, etc.

The other organizations did not target women specifically but focused on the population as a whole or sections thereof, such as the miners and their families or the inhabitants of a specific area. In most of these cases the activities of the organization were supposed to be relevant to both women and men. In a number of them cases the activities were in fact more relevant to women due to the nature of the activity or because women were used to taking the decisions on these matters, for example general health, reproductive health and child care, literacy campaigns and education, horticulture and small-scale production activities.

Examples of these 'general' organizations in the sample were APCOB, CEDLA-Bolivia and CIDOB.

### ***7.3.2 Finance and management***

The counterpart organizations in the sample varied from smaller, fairly insignificant and even stagnating institutions to important, professional and well-resourced ones. The largest organizations had annual budgets of over US\$ 3 million, while the smallest had budgets not exceeding US\$ 10,000. The counterpart organizations were largely dependent on several external donors, sometimes a dozen or more. Those that were fully dependent on only one or two donors had limited financial manoeuvrability and continuity. The donors were mostly European and North American, and included governmental, non-governmental and multilateral organizations. Some donors had a religious background, others took a secular or trade-unionist stance. There was, however, no one-to-one correspondence between the nature of the organization and their donors in this respect. A minority of the counterparts received subsidies from the local government and/or church and a number asked contributions from their beneficiaries. Some of the larger NGOs were linked to one particular political party (either formally, through common leadership or informally).

General administration was highly competent in a number of the counterpart organizations and satisfactory in most others. In a minority of the cases there were deficiencies, but there was a general trend towards improvement. A number of organizations, however, could show little improvement, either in institutional development or in-house management practices. The reason was that funding for project activities could be mobilized quite easily, whereas it was much more difficult to find enough funds to cover the necessary overhead. The introduction and use of planning, monitoring and evaluation (PME) systems was a response to a considerable amount of criticism of these areas in the past and influenced operations positively. Weaknesses included a lack of systematization, a lack of empirical references and indicators, a lack of depth, feedback and follow-up. The situation is now satisfactory for most counterparts, but a few still show deficient PME systems. At the same time there was a trend towards coordination, networking and the execution of research and studies. These overall trends did not benefit all organizations in the sample to the same degree, however. Some organizations faced problems in retaining their staffs because it was almost impossible to pay salaries at the same level as in the commercial sector.

### **7.3.3 Institutional relationships and influence on government policies**

Some counterpart organizations in the sample exercised influence on government policies at the local, regional and national level, and in relation to sectoral or thematic issues. At the national level contributions were made to the Laws on Popular Participation and Administrative Decentralization and to the procedures to implement them. In the design as well as the execution of those laws, the role of the NGO sector has been crucial. Similarly, NGO activities in the field of human rights have focused attention to the subject in Parliament. Much of the legislation and the policies related to women that are presently in force can be attributed to the activities of the various NGOs in this field. Women and Development experts from the NGO sector were recruited by the former government and could thereby implement their ideas from within the government sector. A number of NGOs also exercised considerable influence on the formulation of policies related to ethnic minorities, including the reformulation of the Constitution, in which Bolivia was described as a multilingual and multicultural society.

At the local or regional level, many NGOs in the sample participated in local (municipal) or regional development committees that were frequently focused on a particular sector. More directly, the NGOs disseminated new knowledge and technologies, promoted new skills, and introduced new systems and working practices among their target groups.

An important contributing factor to advocacy, lobbying and policy influence was participation in larger networks and mutual coordination. It was observed that, without exception, the counterparts either took part in relevant networks or had links with other local or foreign umbrella organizations. They also set up permanent or ad hoc coordination mechanisms at a regional or thematic level.

In turn, most NGOs believed they could benefit from reforms in the field of education, popular participation and administrative decentralization, as these opened new niches of local level activity and possibilities for cooperation with the public sector. In fact, quite a number of larger counterpart organizations already had entered into collaborative arrangements with the ministries or municipalities to provide training and technical expertise for local level management, participatory planning and evaluation and the like. In the field of credit new possibilities were also being created through new legislation. The same applied to the issues of Women and Development and gender and ethnicity. On the other hand, a fair number of the organizations had reservations if not outright criticism with regard to the neo-liberal economic policies that had affected their target groups quite adversely, especially the mining community. They felt they had to fill the gap left by a retreating state.

### **7.3.4 Relationship with Dutch CFAs**

Many of the current contacts between partners and the Dutch co-financing agencies date from the 1970s and 1980s and hence are longstanding. New counterparts were also identified later on, but continuity of the relationship remained a strong characteristic. Therefore, contacts and relationships between the CFAs and their partners were not merely businesslike and formal, but also had a personal touch. A large majority of the counterparts were recipients of repeated support, and relations were only stopped when serious doubts existed (or allegations were proven) regarding maladministration, or when there was overwhelming dissent regarding the policies to be followed. On the whole, these cases were exceptional.

There existed a substantial number of mechanisms for reaching policy convergence and for adjusting and changing approaches and implementation practices, including general coordination and project level arrangements. General discussions regarding policies, the context of development cooperation, the overall programme of a counterpart organization, etc., used to take place during annual or more frequent CFA visits to Bolivia. Special arrangements were created or consultants contracted to give guidance to counterparts. In a number of cases the SNV was requested to fulfil this function. Sometimes workshops and seminars were organized to design policies, and policy studies were also carried out.

The relations with the CFAs were generally characterized by the counterparts as positive. They expressed appreciation for the intensive, rather open and friendly relations with the CFAs, although some counterparts said they had difficulty with the numerous missions and monitoring instruments. When problems arose, counterparts could count on understanding on the part of the CFAs and a general willingness to find solutions. Nevertheless, tensions in the relations did sometimes occur, for example regarding the real or supposed political party affiliation of the counterpart organizations. Sometimes CFAs were seen as having too narrow a vision: allegedly they did not always fully understand Bolivian reality and rather rigidly pursued their own priorities and interests, regardless of whether these priorities were shared by the target groups or the partner organization. The counterparts in question felt that Dutch priorities were being imposed upon them.

Communication on projects between CFAs and counterparts focused on specific details of project implementation. In a few cases there were instances of irritation, friction and misunderstanding. Communication was usually valued as intensive, constructive and helpful. Some counterpart organizations and their personnel stressed the fact that they were in effect completely dependent on the funding received for the execution of their projects. They felt that due to this factor local conditions were not always sufficiently taken

into account. They had misgivings about the unilateral nature of much communication and what was seen as undue interference. In contrast, there were also many projects in which no complaints were issued and the respective CFA was praised because of its frequent and more egalitarian level of communication. Compared to donors from other countries, Dutch CFAs were mentioned as positive examples.

Regarding monitoring and evaluation, counterpart organizations had to submit periodical progress reports (semi-annually or annually) according to more or less standard formats. Some NGOs considered the instructions and guidelines for these reports too rigorous. Progress reports were not always submitted on time.

Internal evaluation of the activities was the responsibility of each NGO. External evaluations were the principal instruments used by the CFAs for assessing the performance of the NGOs. The evaluation was agreed upon by both the agency and the NGO and was normally carried out by externally contracted experts at the end of project's financing period. Nevertheless, these external evaluations turned out to be sensitive sources of tension in quite a number of instances. In those cases, counterparts criticized the evaluations on various counts: they were carried out too quickly and too superficially; they were restricted to numeric and quantifiable results; they were carried out without previous announcement and without sufficient information or knowledge by the consultants. Allegedly, there was little or no feedback from the consultants. Since evaluations were often linked directly with the continuation or discontinuation of external assistance, they implied moments of tension for the NGOs. Efforts have been made by the CFAs concerned to streamline their evaluation approach. Three CFAs have now established local support systems for monitoring and evaluation.

Once a project had been approved, a six-monthly disbursement schedule was usually elaborated. Disbursements were generally made on time, usually conditional on adequate and timely progress reporting. Local financial management was entrusted to the recipient NGO. Each NGO had to present a financial annexe to the progress reports. Sometimes external audits were carried out. The co-financing agencies contracted these audits out to specialized accountancy bureaus. In two cases these audits resulted in the discontinuation of the project due to opacity in the management or irregularities observed.

Counterparts did not always get sufficient opportunity to express their opinion, and some felt that their opinion had not been taken seriously. There were examples of miscommunication and misunderstanding. In exceptional cases, counterparts experienced the treatment by the CFAs as grievous. Finally there were a few cases in which no convergence of opinions could be achieved and the relation was discontinued by the CFAs. Correctly or not, the decisions taken by the CFAs in such cases were experienced as uni-

lateral and drastic. In a few instances the decision to stop the relationship was announced without prior conversation or any explanation afterwards.

## **7.4 The projects**

Table 7.4 presents some basic characteristics of the activities evaluated. In the study, the history of the projects was analysed together with the formulation and appraisal of the project proposal and the role of the target group in those initial stages. The projects' objectives, target groups and results were examined including their influence on policies and the attention paid to the transfer of activities. Attention was also paid to the way the project was related to the CFAs and linked to its target group. The activity being funded, the main objectives, the target groups, and location and results are shown for each individual project in the sample in annexe 7.

### **7.4.1 *Types of projects and their goals***

The projects in the sample ran over a number of years. The majority (20) of the 34 projects were launched after 1990, but some activities started before 1985. In 12 cases there was additional funding from DGIS, either from the Andes Programme or from special programmes such as the Women and Development Programme. Eleven of the projects studied received funding of over Dfl. 1 million, seven got between Dfl. 500,000 and one million, ten between Dfl. 100,000 and Dfl. 500,000, while six got less than Dfl. 100,000. Six of the projects took place in the department of Cochabamba, five in Potosí and five in Santa Cruz. Ten projects operated at the national level, including the departments of Cochabamba and Potosí. Regarding the contents of the projects the following observations can be made.

A first broad category in the sample were the projects with a sectoral focus. Ten projects were focused primarily on agricultural development and related activities (forestry). These projects aimed at a variety of objectives in agricultural development, such as increasing agricultural income through new methods, diversification and improved marketing. Some of the projects established nurseries and/or provided improved seeds or new, alternative crops, while others aimed at strengthening farmers' organizations through training and technical assistance. Seven projects (those listed as such in the table and IPTK, PROCADE and the Programme for the Containment of Migration PROCOM) provided support for the establishment of urban microenterprises, sometimes directed at specific target groups. Those projects generally provided small-scale individual credit to producers, often combined with appraisal studies, technical advice and training. The final goals were employment and income generation.

**Table 7.4 Basic characteristics of activities evaluated**

Type of project	Partner organization	Activity evaluated	Period	Disbursement Dfl. '000	Department
<b>Projects with a sectoral focus</b>					
Agricultural development	ACLO	three-year plan for agricultural development	1990–95	1,650	Chuquisaca
	AIPE	PROCOM anti-migration programme (rural development, credit)	1989	3,618	Potosí
	CER	reafforestation project	1994	15	Cochabamba
	ICADES	micro projects for peasants	1992–94	313	Potosí
	INCCA	organization and income generation for peasantry	1987–89	170	Cochabamba
	INEDER	support to ATP: integrated rural development, organization	1992–94	1,369*	Cochabamba
	IPTK	three-year plan: integrated rural development	1990–93	3,111*	Potosí
	UNITAS	PRACA Rural Rehabilitation Programme	1984–88	1,961*	several departments
		PROCADE Alternative Peasant Development Programme	1989–94	13,010*	several departments
	SEAPAS	agroecology, food production	1992–94	230	Santa Cruz
Micro-enterprise and credit	ANED	institutional support and credit fund	1988–91	1,183*	national
	CIDRE	feasibility study on woodwork	1987–88	17	Cochabamba
	CIPCA	FONDECO rural credit fund	1992–93	567	national
	IDEPRO	microenterprise credit	1991–95	4,993*	national
Education and training	CETHA	adult education and training	1987–91	647	Cochabamba
	CISEP	support mining cooperative: income generation, organizational support	1985–93	618	Oruro
	CISTEM	organizational strengthening, training for income generating activities	1994	60	La Paz
	COD	trade union training school	1988	38	Santa Cruz
	INCATEM	educational programme for income generation for miners' women	1989–	1,421*	Potosí, Cochabamba
<b>Projects focused on special groups</b>					
Women	Alpaca Works	bridging finance for organization	1994	23	Cochabamba
	G. Apaza	institutional support to women's organization: education, political mobilization, technical training	1989–	846*	La Paz
	Sartawi	women's microenterprise	1993–94	595	national
	CDLM	three-year training programme, women's NGOs and women's movement	1994–96	355*	national



(Table 7.4 continued)

Type of project	Partner organization	Activity evaluated	Period	Disbursement Dfl. '000	Department
	Women's House	organization and improvement of living conditions	1991-93	390	Santa Cruz
Indigenous population	APCOB	sustainable forestry	1984-92	5,528*	Santa Cruz
	CIDOB	support indigenous population	1991-92	525	Santa Cruz
<b>Projects with thematic specialization</b>					
Human rights	APDHB	general support	1987-91	150	national
	SERPAJ	human rights education and communication	1987-91	260	La Paz
research	CEDLA	three-year plan: socio-economic and policy research; local planning studies, intervention models	1994-	235*	national
	Qhana	research on coca production in Southern Yungas	1988	55	La Paz
Emergency aid	IPAM	food aid	1986	1,847*	Oruro, Potosí
Advice and support	Clave	m&e, support and training, consultancies	1994	114	national
	OSAP	project support to small local organizations	1988-94	289	national
	Sinergia	social and policy research and advice	1995-	545	national

\*Including additional DGIS funds.

Five projects offered education or training. The goals were quite varied in this group. Some projects considered training and education as a goal in itself (literacy, numeracy), while other projects saw it as instrumental in promoting trade union activity, for example, or economic progress on an individual or household level.

A second broad category of projects focused on specific groups. Five projects concerned women's organizations and focused on institutional support, organizational strengthening, education and training for productive activities. Of those, Alpaca Works, Sartawi and to some extent the Women's House focused on the economic and material well-being of women, while the others aimed at the introduction of a gender approach and even of a gender-based development model. Two projects were directed at the indigenous population in the Lowlands. They aimed at sustainable forestry management and the organizational strengthening of minority indigenous groups in eastern Bolivia.

The third category included projects with a thematic or professional specialization. Two projects were concerned with human rights issues. APDHB worked at supporting victims



*Ocuri. Adult literacy class*

of human rights abuses, and with SERPAJ also aimed at education and lobbying through awareness raising and communication. Two other projects were devoted to research activities. CEDLA-Bolivia concentrated on the development of new intervention models and tested those at pilot level, while Qhana studied the situation of coca farmers in order to improve their situation. One project provided emergency aid to help to the dismissed mining population in 1986 and three projects provided advisory or support activities to improve the performance of the implementing agencies.

#### ***7.4.2 History, rationale and preparation of projects***

The history of most projects was closely related to that of the counterparts themselves and of their relationships with the respective CFAs. Many projects evaluated here were not free-standing but were a continuation or an off-shoot of earlier initiatives or had to be seen in the light of experiences gained during previous activities funded by the particular CFA.

The basic rationale of the projects was related to the situation of the target groups and their needs (institutional or material). Some projects were based on a participative diagnosis or a Rapid Rural Appraisal, on evaluation studies of prior phases or on the recommendations of monitoring committees, while others were built on special identification or feasibility

studies carried out either by staff or consultants. Proposals were normally extensively discussed and frequently reformulated. In the case of completely new proposals or new counterparts, the CFAs used their existing networks to collect more information. The SNV was also frequently asked to give its views (three of the CFAs have recently concluded a collaborative arrangement with the SNV). The direct role of the target group in the preparatory stages was very limited. At most, the leadership of local target group organizations were contacted, and sometimes they in turn informed the membership at meetings. Only in exceptional cases was the target group directly involved in the identification and formulation process.

### **7.4.3 Results: project level outputs and effects**

The project outputs and effects are here discussed for the different clusters described above.

#### *Projects with a sectoral focus*

With regard to agricultural development and related activities (forestry), the programmes of ACLO, IPTK, INEDER, PRACA, PROCADE and PROCOM were larger integrated programmes, carrying out a substantial number of agriculture-related activities. Direct outputs and results of those programmes varied but showed an upward trend over time. The marketing of agricultural products remained difficult in general, partly as a result of unfavourable prices. Initially there were also problems in obtaining credit, but later on this improved (see below). The gender aspect was weak in PROCOM, as was the transfer of activities to the beneficiaries of ACLO Activities. In the PRACA programme agricultural experiments were not very successful due to a lack of technical expertise and systematic planning. On the positive side, ACLO carried out activities in agriculture, horticulture and forestry in difficult areas and successfully established mills and communal shops. The PROCOM programme succeeded in setting up a social infrastructure and in introducing new participatory microregional planning techniques. PROCADE also introduced successful microregional approaches resulting in high-quality proposals, and it also adopted participatory diagnosis and paid increasing attention to gender. The microregional diagnoses developed by the projects have served as the basis for operational plans under the Law on Popular Participation in many municipalities. INEDER realized its goals in training, research, storage and credit for wheat producers, but had problems in the marketing of wheat. IPTK had good programmes in rural education and health and functioned satisfactorily in communication and rural enterprise, but the results of its productive programmes were weak. The CER nursery had an output one-third greater than expected with a distribution of 140,000 seedlings a year. Education and workshops were executed according to plan. ICADES succeeded in setting up 27 microprojects north

of Potosí of which most are still functioning. INCCA distributed agricultural inputs to some 2,500 families, but results were modest. The horticulture of biological products introduced by SEAPAS showed steady growth and was accompanied by adequate technical assistance and transport services.

The long-term effects of these projects showed a more variable picture. On the one hand, the effects of all types of facilitating programmes such as training, promotion and information campaigns, and consciousness-raising, as well as activities of a more political nature, were generally positive. Training was given in practically all projects and revealed considerable diversity. Generally, training had no links with formal education and was related to the practical or organizational needs of the programmes under implementation. Sometimes training was a prerequisite to receiving loans or inputs. The type of practical and technical training provided was generally useful. In a number of cases trainees were able to acquire remunerated employment or could apply their new skills in self-employment ventures.

On the other hand, the long-term results in the productive sphere were mixed and less positive. In general the projects studied gained in importance as providers of inputs and services (including advice, credit and sometimes marketing) to agricultural producers or producer groups. Here the results were satisfactory. But some projects were weak in technical expertise and in their relations to women producers and marketing. A number of projects in the productive sphere failed partially or completely: the sawmill in a sustainable forestry project could not be run profitably, commercialization of agricultural products was and remained a bottleneck in most projects, while the introduction of 'new' crops had little success. These results were due to a lack of sufficient technical knowledge and expertise (agricultural research was virtually defunct in Bolivia; see chapter 6). Some 'bad' results in agriculture were also due to the generally adverse climatic conditions, especially in the Highlands. A more fundamental difficulty with these productive activities in the economic domain was that the root causes for the economic problems and poverty often lay outside the communities themselves and were even of international origin: prices of commodities, import regimens, re-structuring of government services, etc. The import of agricultural commodities from neighbouring countries (milk, wheat, etc.) as well as food aid programmes undermined the economic feasibility and long-term sustainability of productive initiatives in the agricultural sector. The attempts to identify 'alternative' products have generally been disappointing, at least in the rural areas. Even when successful at experimental level, it was difficult to replicate the experiences on a larger scale due to costs, transport and socio-cultural factors. Despite incidental successes of sub-components, programmes to contain migration evidently failed to achieve their goals. Such goals were not very realistic in the first place. Regarding the environment, the main problem was scale. It is difficult for one single NGO to address

environmental problems effectively since many agents are responsible, including those located elsewhere. Nevertheless, the projects included a number of local and regional initiatives in the areas of re-forestation, agriculture and sustainable forestry that have led to a more ecologically responsible execution of projects. Up until now, projects have tended to promote the use of modern inputs with potentially dangerous effects on the environment. Generally, the amounts used in Bolivia have been too limited to create environmental damage.

In the field of microenterprises and the provision of credit, ANED, CIPCA and IDEPRO acquired growing portfolios as well as lower rates of default. IPTK's credit provision had been weak, but recently it operated successfully at market rates. PROCADE's credit component was carried out also performed adequately. CIDRE carried out a feasibility study and workshops for woodworkers that identified socio-economic bottlenecks and the market potential. Credit schemes in the past suffered from low recovery rates, weak administration and management, and high inflation rates. The schemes in the sample, however, aimed at financial sustainability and were subject to market conformity and professionalization. The risks for producers or their communities was undoubtedly larger due to the sanctions imposed for default. Also the selection procedures were more rigorous, so that people with few resources found it more difficult to access credit than in the past when default was rarely punished in practice. As a result, most of the credit institutions studied showed good results in terms of recovery and prospective financial sustainability. In the urban sector there were better results in the small-scale productive sphere than in the rural areas due to greater diversity, mobility and more market opportunities.

In the area of education and training, CETHA realized its planned training activities, and its microprojects progressed satisfactorily. There is room for further improvements in internal planning and organization, however. CISEP provided socio-economic support to some 120 miners, but of course could not provide a structural and long-term solution for their problems. CISTEM's workshops and training sessions were carried out professionally, but involved traditional activities, while links with the communities involved were weak. The COD ran the training sessions and produced the publications and extension material for the trade union school while it was active there. Now, however, its basic concepts need to be updated and the school is running at a deficit. INCATEM realized its educational goals, including those in income generation.

#### *Projects focused on special groups*

Five projects focused on women's organizations and provided institutional support, organizational strengthening, education and training for productive activities. Alpaca Works assisted women's producer groups in the design of knitted products, delivery of wool,

quality control and marketing. Despite the bridging finances provided, the financial prospects of the organization were limited, while the number of beneficiaries and the income generated per beneficiary were small. The activities of the Woman's House in the areas of training, health, juridical support and daycare were implemented adequately. The Women's House could still benefit from more sharply focused activities and the more vigorous adoption of an explicit gender approach. The CDLM completed four cycles of training workshops which were generally appreciated even though they lacked practicality. Gregoria Apaza trained 1,000 women, with some 300 women being trained quarterly. Their programmes via the media (radio, TV and video) were a success; they also provided psychological and legal support to some 600 women per year. Their daycare centre, however, was not yet self-supporting. Sartawi, which focused on microenterprises for women, realized its goals in training, credit, design and marketing and was able to help establish over 50 microenterprises.

The projects directed at the indigenous population in the Lowlands (APCOB, CIDOB) were successful as far as organization, promotion and advocacy were concerned. APCOB's lobbying at the national and international level was effective, and forestry activities included the inventory, delimitation and management of forests covering over 1500 hectares and comprising 25 communities. The management of the sawmill and the attempt to implement a gender-specific approach were not successful. CIDOB carried out seminars and congresses and managed to put indigenous themes on the national agenda. It helped to organize the indigenous movement, set up an office and got itself recognized as its spokesman. An environmentally-related result has been the introduction of new legislation having to do with the use of territory by ethnic minorities in the Lowlands, which received an impulse from the indigenous movement. Project continuity among the Lowland Indians, however, has proven to be problematic. The leadership itself lacked continuity, and there was no sense of ownership. Some ethnic minorities have only recently been incorporated into Bolivian society and consequently do not share many of that society's standard management practices and operational norms. On the positive side, knowledge has been acquired regarding the living conditions and cultural repertoires of those communities.

### *Thematic projects*

The human rights activities of both APDHB and SERPAJ responded well to their objectives, despite the former's financial problems. APDHB continues to lobby and carry out support activities on behalf of victims. Working through nine regional offices, it also issues various publications. SERPAJ has conducted training courses and publishes a regular bulletin. The human rights initiatives included support to individual victims of human rights violations as well as training sessions, campaigns, publications and advocacy.

Support to human rights organizations was discontinued soon after the re-establishment of democracy, however, although later on human rights abuses were once again being reported. The research activities of CEDLA-Bolivia were of a high quality, though not always easily accessible to a broader audience. Qhana's intended study on coca production was carried out, but remained very theoretical and was rarely applied. There was no available information about its implementation. IPAM successfully provided emergency aid to over 5,000 families. Its training and organizational activities suffered from the weakness of the miners' unions. The advisory or support organizations (Clave, Sinergia) generally carried out appropriate work, though the small project fund of ICCO managed by OSAP was underutilized.

#### **7.4.4 Further results**

The continuity, consolidation and transfer of project activities received increasingly systematic attention, including at the level of policy dialogue between counterparts and CFAs. For example, specialized funds took over the credit initiatives of individual projects in order to guarantee continuity and replication, to charging market rates to assure future financial sustainability. Producer groups were established in a number of regions and trained to take over the responsibility of projects once these closed.

A number of projects served as models for other donors and within Bolivia itself (the wood-certification project, credit schemes and the gender training project). The significance of some projects lay in their critical appraisal of government policies and in creating awareness of their effects on vulnerable groups in society. This has led to a better appreciation of neo-liberal policies in Bolivia in general, and in particular has guided donors in paying attention to the social costs involved. The extent of project policy influence was frequently facilitated by the participation of executive agents in coordinating committees and networks, more recently at municipal and prefectural levels in line with the Law on Popular Participation. It was sometimes difficult to distinguish between projects and executive agencies in this sense. Other forms of influence were the dissemination of new ideas and initiatives through communication media: radio, brochures, seminars, the press, etc. Methodologies for microregional planning were an important innovation in rural development and the agricultural sector. There has been demonstrable influence on the contents of educational reform and the formulation of a sectoral wheat policy as a consequence of project activities. Finally, project activities funded by the CFAs have contributed to policies regarding human rights and the Law against Domestic Violence.

Relationships between the projects and the target groups assumed quite different shapes and forms. In a number of projects farmers basically reacted to tangible, concrete, socio-

economic benefits; their participation was temporary, with limited institutional and organizational linkages. They received loans, food aid, advice, training, information, etc. During the identification, formulation, management and evaluation of most project activities they were absent or silent. This had to do with a number of discriminatory practices in Bolivian society and lack of knowledge and skills. For women it was even more difficult to participate in public events. In some communities there was resistance to the new and stricter conditions for credit and a reluctance to put up land as a collateral. Juridical formalities and travelling costs constituted major impediments to taking advantage of credit. In some cases the distinction between a gift and credit was not clear, and this created considerable friction between the beneficiaries and the NGO responsible for the programme. Among the Guaraní community in the Lowlands a tendency towards seclusion and distrust was noted, affecting the interaction between the target group and the NGO involved. In some communities modern medical methods were looked upon with scepticism. Some groups, for example, were afraid to be vaccinated.

When the beneficiaries were organized into special interest groups or unions, or when special participatory approaches were adopted, the prospects for participation were much better. The organizational aspect of participation has now become a fixed part of these projects, with demonstrable positive results. Examples include PROCOM, CIDRE, CIPCA. Overall, there were clear signs of progress in recent years, despite shortcomings and the fact that social and cultural obstacles can only be removed gradually.

The results of the projects in the perception of the target groups depended partly on initial expectations. For many beneficiaries the issue of employment and income generation was central, though some added that they would always remain poor. Even though the remuneration in certain projects, such as the women's knitting project or soap production, was low by any standard, they did not see any alternatives and the additional income was essential. They saw access to credit and better marketing as an avenue for improvement. The free provision of inputs and seed was, of course, welcomed by all, but there were instances in which the projects could not deliver what was promised, which led to disillusionment. In the case of training and consciousness-raising projects, the ideas and expectations among the beneficiaries were less pronounced. But such programmes did raise curiosity and later generated interest, and mostly worked as eye-openers.

In conclusion, the following can be said about the results. Most of the projects were able to show tangible outputs roughly in line with their plan of operation, though sometimes delivered behind schedule. Delays in project implementation occurred for a variety of reasons: management or administrative problems, internal conflicts, miscommunication between project and CFA, lack of funds or personnel. Gradually a general growth in output could be observed in the number of loans, the number of people and NGOs trained,



the level and frequency of information and communication campaigns, the increasing membership of local organizations, etc. In political terms the projects involved clear choices for themes, options and currents. The history of NGO activity in the country has seen a shift from confrontation with the government to consensus or, at least, cooperation. Several projects have contributed demonstrably to legislation and policy-formulation related to gender, the environment, indigenous cultures and ethnicity. Despite the generally positive results, the activities under study could hardly influence, let alone change, the prevailing structural inequalities in Bolivian society, and have to be seen as small steps and instruments in a long-term process of change.

## **7.5 Evaluation**

On the basis of the results and issues reported in the preceding sections the following evaluative statements can be made.

### **7.5.1 Relevance**

The projects evaluated all addressed pertinent problems in Bolivian society though from widely differing vantage points, reflected in the broad variety of counterpart organizations and their respective policies. In this sense, the choice decision to work with counterpart organization was also judged as relevant. Some projects focused directly on the poor and vulnerable groups and their problems, while others opted for a more indirect institutional approach.

The focus of the two human rights projects was justified by continuing violations, though on a much smaller scale than during the dictatorships, and now primarily related to the coca-eradication campaigns. Activities regarding advocacy and empowerment of deprived groups, such as indigenous peoples, migrants, ex-miners and women, were clearly necessary in view of the situation of such groups and the obvious need to strengthen civil society, plurality and the democratic order in Bolivia. The same applied to support of trade unions and other interest groups. The need of a gender-oriented approach in government policy and in the implementation of projects was obvious in view of the backward position of most women according to available statistics (see section 9.1) and the role they play in the rural and urban economy. During the early 1980s, activities in the field of agriculture and rural development were indicated in view of the serious natural catastrophes that hit Bolivia during that period. Training, education, communication and extension were needed in view of the alarmingly low levels of educational attainment and literacy, especially among women, and the scarcity and low quality of available state services in the

social sector, particularly in rural areas. A number of partner organizations (especially networks) focused on improving the functioning of their members through training, better coordination and management. Some of them provided professional support in such areas as financial management, monitoring and evaluation, and project appraisal. All this was based on the assessment that Bolivia is in need of a more professional NGO environment for supplying development to its population. NGO activities providing credit were necessary in view of the nearly total lack of institutional alternatives, especially among the peasantry in the Andean zone and small-scale producers in the urban areas. Activities focusing on employment and income generation were needed due to low income and high unemployment figures in throughout nearly the whole of Bolivia, but especially in the Andean areas outside the central axis La Paz-Cochabamba-Santa Cruz. Studies and research were relevant in view of the dearth of studies on which to base interventions.

The contents of the projects related not only to the problems of Bolivian society and of the target groups, but to the broad development policies of the Netherlands and of the individual CFAs. Moreover, studies carried out others by groups such as CEDLA-Bolivia, as well as various trade union activities, were deemed relevant because they took a more critical approach to some aspects of the neo-liberal model and exposed the negative effects produced among vulnerable groups in society. They also took sides in debates in Bolivian society at a time when debate was needed to strengthen democracy by presenting a vocal opposition and different forms of advocacy. The counterparts and their programmes took up new themes and problems emerging in Bolivian society or in the international development debate, as could be seen by the emphasis on democratization, advocacy, miners, women and development, ethnicity, environment, enterprise development, etc.

### **7.5.2 Effectiveness**

In general the projects yielded the type of outputs and immediate effects expected. Long-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 are difficult to influence under any circumstance. 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-oriented approaches were also introduced with some success.

Except for some partial failures, the initiatives in organizational and institutional strengthening were generally positive. Productive activities, on the other hand, showed a number

of problems due to a difficult overall environment. Moreover, the credit schemes initially were not set up in accordance with market standards and were not managed professionally, leading to high levels of default. More recent initiatives in the provision of credit showed more positive results, however. The professionalization of staff and the implementation and management capacity of the executing agencies have also contributed to this recent development in credit provision.

Counterpart organizations and their projects have had quite some influence on the formulation of new policies and legislation in Bolivia and have also introduced new approaches and methodologies in development work.

Another factor behind the positive results was the quality of the executing agency itself, the counterpart of the CFA funding the project. The functioning of most of the counterpart organizations was considered as varying between satisfactory and 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 functioning through all types of organizational and institutional advice, guidance, training and support. Levels of professionalization and competence increased, while management and administration improved over the years. Most counterpart organizations, moreover, had a long-standing tradition in their respective areas of operation and had established links with their target groups. They were a familiar presence and their role in a particular area was often substantial, considering the scarcity of state institutions in most rural areas.

In the Bolivian context a number of processes and factors were at work to adversely affect the effectiveness. Many of these had to do with circumstances external to the counterpart organizations, while others concerned internal organizational conditions and broader institutional questions 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. In the Lowlands, programmes among ethnic minority groups such the Ayoreos were complicated by the relatively instable nature of those communities, i.e. the lack of stable leadership structures and the overall low levels of organization. Among Highland indigenous population groups internal divisions and conflicts adversely affected some programmes. The difficulties facing commercial crop production (unfavourable climatic conditions, low prices, unreliable marketing) made it difficult to implement agricultural programmes.

### **7.5.3 Efficiency**

In this section efficiency is 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 administering the project, to procedural and personnel issues and to timing.

The counterpart organizations showed varying levels of operational efficiency. Despite the overall trend towards professionalization mentioned above, not all organizations were able to benefit from this development and some lacked the funds to recruit more professional staff. Some organizations operated in a highly efficient way, most at satisfactory levels, while a few showed less satisfactory efficiency or were even mismanaged. 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 has been developed into an intensive and fairly thorough process, embedded in long-standing forms of consultation and networking. There have been delays in project execution for a variety of reasons, including problems originating on the Dutch side. The aspects of management and administration and the use of PME systems during and after implementation showed definite weaknesses in the earlier projects (and in some organizations and projects up until recently), but they have also improved considerably over time. The CFAs have taken proper steps in response to cases of maladministration and lack of transparency. Regarding progress reporting, monitoring and evaluation, increasing use was made of standardized procedures.

### **7.5.4 Sustainability**

The Dutch funded projects were significant or even essential to nearly all counterparts. Almost all projects were qualified as the only, main, central or crucial part of the organizations' programmes. In many cases, without assistance the activity in question would simply not have been executed in the first place. The projects have helped a considerable number of counterparts to expand, to professionalize, to become known internationally, and in some cases to survive. The other side of the coin was that all activities were more or less completely dependent on outside funding. Though this situation usually implied a lack of financial sustainability, several counterparts argued that such activities (e.g. health facilities, training) tend to be subsidized almost all around the world. In rural areas, charging the full costs of services provided remained an unsolvable problem in view of the low incomes and sometimes limited degree of monetization in society. Recent

initiatives in the provision of credit have succeeded in becoming financially sustainable due to market-conforming 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 at the start. As far as participation of the target group is concerned, there was no evidence that they have become able to operate independently from the counterpart organizations. In fact, they hardly participated at all in the organizations' decision-making processes.

In conclusion it can be said that sustainability improved in a number of projects due to a more commercial and business-like approach and institutional efforts to prepare the beneficiaries to eventually take over activities. But this was a slow process.



## 8 The Netherlands Development Organization SNV

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The Netherlands Development Organization SNV is one of the Dutch development co-operation programmes with the longest history in Bolivia. The SNV became active in Bolivia in 1969, four years after its foundation. Since then it has maintained a continuous presence, although with a very low profile during the military regimes of the late 1970s and early 1980s.

### *Activities*

Activities of the SNV in Bolivia have comprised:

- personnel inputs of development associates in host organizations;
- Small SNV Projects (KSP). These projects did not exceed a budget of Dfl. 100,000 and were financed from budget category IVe;
- projects executed by, or jointly with, partner organizations. If projects are implemented jointly, technical assistance is usually included. Most, but not all, of these projects were financed by DGIS to SNV, and after 1987 from the budget for the Andes Programme (budget category IIa);
- since 1995, supervision and co-managing of Small Embassy Projects (KAP).

The SNV does not finance large-scale projects from its own resources. The SNV has also published studies on various topics, which has contributed to both situating SNV activities within the wider context of development issues and forming the institutional memory. Since 1990, a fund for ad hoc assistance has disbursed an average of Dfl. 35,000 annually on congresses and meetings of groups such as umbrella grassroots organizations. The SNV was one of the coordinators of a network of 40 international NGOs stationed in Bolivia.

In Bolivia itself, SNV's host organizations (in the case of personnel inputs) or partner organizations (in the case of project implementation) are either non-governmental organizations (NGOs) or grassroots organizations, or in exceptional cases public sector

institutions. The same NGO or grassroots organization may host development associates and implement projects at different points in time or simultaneously.

### *Methodology*

The evaluation covered the period 1969–95 and focused on the core activities of SNV-Bolivia, i.e. personnel inputs and project partnership. A sample was taken from the personnel inputs and the projects, covering the different types of organizations with which the SNV has been working (NGOs, grassroots organizations and networks) and the main programme topics (technical education, agriculture and livestock, and radio communication). Special attention was paid to the Women and Development theme. The field study took place in the departments of Potosí and Cochabamba. Additional studies were carried out in La Paz and Santa Cruz, where network organizations supported by SNV were located and projects aimed at the indigenous population in the Lowlands were concentrated.

Most SNV host and partner organizations received financing from other donors simultaneously, while some projects were co-financed with other donors. This made it difficult to isolate the specific effects of SNV contributions. In the course of time, the programme of SNV-Bolivia underwent various changes in policy and strategy. Documentation on these changes was scarce due to the absence of monitoring and evaluation systems and to the destruction of archives resulting from political turbulence. The study of personnel inputs relied on structured interviews as a major investigative technique. Interviews were held with development associates in Bolivia and the Netherlands and with the host organizations, as well as with other actors and stakeholders such as the SNV field office staff, directors and employees of host organizations, beneficiaries and key informants not directly related to the SNV. In the case of project assistance, desk research was combined with structured interviews with stakeholders, in particular within the partner organizations.

## **8.1 SNV policies**

### **8.1.1 *General policies***

SNV was founded in 1965 by the Netherlands Ministry of Foreign Affairs, which also provides its annual core budget. In practice, SNV became a ‘quasi-independent’ governmental organization. While key staff is employed by the Ministry of Foreign Affairs, the SNV has the mandate to develop and execute its own policies. During the past 30 years, important changes have taken place with respect to both its policies and internal organization and its relations with counterparts.



Throughout the years, SNV's ultimate objective has been poverty alleviation. Its focus and approaches on implementing this goal have evolved over the years. In the period 1965–72, SNV focused on posting development associates to developing countries to assist governmental organizations that were concerned with basic needs of the poor. No other specific conditions were set. Between 1973–80, criteria for the selection of countries and host organizations to which personnel could be posted were more specific. Countries and organizations were to be selected which assigned priority to the social and economic development of the poor and to their participation in the development process. In 1977, the first policy document formulated two main objectives: execution of 'regular' programmes with democratic and poor countries, and 'special' programmes geared towards marginalized population groups in capitalist and dictatorial countries (Objective A); and consciousness-raising in the Netherlands about international development cooperation (Objective B). Since cooperation with the governments of Bolivia was ruled out during those years, the SNV presence there fell under the category of special programmes.

In the period 1990–95, the notion of 'empowerment' arose. The overall policy for the 1990s was formulated 'to increase the social, economic and political empowerment of groups of poor, discriminated and oppressed people in developing countries' (SNV 1993a). This not only referred to basic material necessities such as food, water and housing, but also to taking advantage of the instruments of power: economic power and organization, self-reliance and access to knowledge. The 'process approach' was adopted by SNV as the major development strategy for achieving this objective. This strategy required a flexible structuring of the development process, seen from the point of view of the opportunities and the ambitions of the poor themselves and involved corresponding project implementation procedures. The selection of the target groups and host and partner organizations was of fundamental importance in this process.

Apart from its focus on poverty alleviation, SNV gave priority to some additional themes. These include Women and Development, environment and international dimensions. The first policy document on W&D (SNV 1986) stressed the need to improve women's basic living conditions and social status, and to reinforce their economic independence. A second policy document (Rookhuizen 1991), in line with the 'autonomy policy' pursued by DGIS, distinguished between women's practical and strategic interests and stressed their empowerment,<sup>25</sup> both at the level of the individual and the level of the organization. The current policy (SNV 1993b) is formulated in terms of gender, power relations, strategic space and resources, and of empowerment of women. The central concept

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<sup>25</sup> Practical gender interests are defined as those originating from women's specific conditions within a given system of division of labour. Strategic gender interests emanate from an analysis of women's subordination and the formulation of an alternative way of organizing society, with a more balanced distribution of power between the genders (Rookhuizen 1991).

on environment was sustainable development. The focus on the theme 'international dimensions' was on issues such as international commerce, environment, human rights (of women and indigenous people in particular), democratization and food aid.

SNV evolved from an organization posting young professionals abroad as 'volunteers' into a development organization with its own policy which employs higher educated professionals. This, in addition to the subcontracting policy of the Ministry of Foreign Affairs and the Ministry's requirement of an unqualified annual audit report, stimulated a major reorganization of the SNV between 1991 and 1994. Project implementation gradually became more important than the posting of development associates, though this trend was less prominent in Latin America. A standardized financial management system was set up and result-oriented management was introduced. Responsibilities were delegated to the country offices and less cumbersome procedures were introduced. After an external evaluation, the 1996 Business Plan prompted a further internal reorganization.

### **8.1.2 Policies of SNV-Bolivia**

The first Five-Year Plan for Bolivia appeared in 1986. A shift in subject matter took place from education to rural development. The Plan identified as its target groups peasant families, the indigenous groups inhabiting the north and west of the country and the small settlers in the Lowlands, rural-urban migrants and the population located around the mines. The Plan focused on personnel inputs. Project implementation was not considered a priority. SNV started to contract Bolivian development associates. The Plan reported reluctance on the part of SNV development associates in the partner organization regarding the financial management of projects.

The second Five-Year Plan (1990-94) focused on the strengthening of host and partner organizations and the increase of social resilience of the target groups. Unlike the previous plan, miners were no longer considered a target group; activities were to focus more on the rural areas, and more attention was to be paid to women in the informal urban sector. The Plan stressed a gradual change from postings in NGOs to postings in grassroots organizations. Public sector institutions could now qualify as a host or partner organization. Since the Plan aimed at geographical concentration, in 1994 and 1995 regional offices were opened in the Andes department of Chuquisaca and the Lowlands departments of Santa Cruz and Beni. Since 1994, SNV has paid more pronounced attention to the environment, to the indigenous populations of the Lowlands and their territorial issues and to the international dimensions (wood certification and fair trade, amongst others). The focus of SNV-Bolivia on the Lowlands is complementary to the DGIS focus on some Highland departments. SNV-Bolivia believes that poverty alleviation and environment-

ally sustainable production can be more efficiently achieved in the Lowlands, since the development potential is higher and rural–urban migration flows are less predominant.

### *Women and Development*

In Bolivia, several female SNV development associates were involved in the Training Institute for Women in the Yungas (ICMY) during the 1970s, while in later years women's projects were supported. The number of female associates involved in women's projects increased from one (1981) to four (among 22 associates) in 1984. Activities carried out with women were mainly oriented towards improving their social position. An internal analysis concluded that the integration of W&D policy into the SNV programme in Bolivia had not been successful (Musch 1991). Subsequently, a W&D working group was established to monitor the 'women's component' in SNV projects in Bolivia, and a gender advisory council of local W&D experts was formed. However, members felt frustrated when their recommendations were not implemented, and in 1994 this council ceased to exist. A W&D expert for policy implementation was contracted, but stayed only a short time. By mid-1995, the main characteristics of the SNV-Bolivia programme for Women and Development were: actions relating to NGOs; actions relating to the government (promotion of women's participation in the Law on Popular Participation) and activities at the level of grassroots organizations (Mother Clubs).

### *Indigenous people in Bolivia*

Although SNV-Bolivia had worked with indigenous organizations since the 1980s, explicit policies were not formulated until 1994. Apart from the overall policy to support ethnic minorities in their effort to pursue their own development, safeguarding their cultural identity, the specific policies contained three components: consolidating the territorial rights of indigenous groups in the Lowlands, strengthening their organizational capacities and ethnic cultural identity, and elaborating the relationship between ethnic identity and gender.

## **8.2 SNV's programme in Bolivia**

Since the 1950s, a number of religious orders from the Netherlands had been active in Bolivia in the field of technical education. In 1969, in response to their request, the Technological Institute (IT) in Cochabamba (originally Augustinian) received its first SNV development associate, and up until 1980, 35 associates were placed there. In the same year, an agreement was signed with the government of Bolivia formalizing the SNV's presence in the country. During the following years, the SNV posted associates in

other religious institutions, such as the ICMY and the Lavi Grande agricultural centre. No explicit SNV policy on personnel inputs existed at the time, partly because of the unstable political situation in Bolivia during the second half of the 1970s. In 1976 postings at ICMY and Lavi Grande were suspended, and in 1978 the SNV closed its national headquarters in Bolivia. Gradually all SNV associates were withdrawn from the IT as well (1980). With the return of democracy (1982), the SNV explored contacts with new counterparts. The national headquarters was reopened in 1984, and gradually the SNV broadened its scope of activities. A cooperation scheme started with CIPCA, a large NGO mainly dedicated to integrated rural development. As a consequence, SNV activities shifted from education to rural development during the late 1980s, which was formalized in the First Five-Year plan. With the Second Five-Year Plan, there was a gradual shift from personnel inputs in NGOs to grassroots organizations, but NGOs continued to be the most frequent host organizations.

Between 1969 and 1995, 105 SNV development associates filled 155 regular postings. In addition the SNV engaged 33 SNV development associates in its national headquarters to carry out studies, formulate proposals and administer activities. The 155 postings corresponded to 4,276 person-months, or an average of 27.5 person-months per posting. Of the 105 associates, 21% were women and 79% men. Initially, the SNV development associates were young, single persons with usually an intermediate level technical background. Gradually, development associates were contracted with a higher educational level and with work experience. The SNV implemented eleven KSPs and fourteen additionally financed projects (mostly financed by DGIS). Only recently have associates been posted in projects that were part of a programme for which the SNV had assumed the implementation responsibility (i.e. Programme for Strengthening Grassroots Organizations). The SNV has also carried out research, including institutional landscape studies, regional studies, a gender reconnaissance study and a study on forest products and agroforestry. Research was also done on the feminist movement and the international dimension. Urban profiles of large and intermediate cities were developed and three regional environmental profiles were also elaborated.

Table 8.1 indicates disbursements to SNV activities by type of activity and time period. The gradual increase in disbursements can be explained by three factors: the start of the KSP programme in 1991; the development since 1987 of the Andes Programme (the bilateral cooperation budget line), which enabled the financing of projects through SNV; and the process of professionalization of development associates, which was also expressed by higher salaries for associates.

Table 8.2 indicates the number of SNV activities and disbursement categories by type of activity.

**Table 8.1 Disbursement per period, 1969–95 (in Dfl. thousands)**

Type of activity	1969–79	1980–89	1990–95	Total
Personnel inputs	5,507.4	8,379.8	18,536.3	32,423.5
KSPs			665.8	665.8
Additionally financed projects		1,075.9	5,754.1	6,830.0
Total	5,507.4	9,455.7	24,956.2	39,919.3
% distribution	13.8	23.7	62.5	100.0

**Table 8.2 Number and disbursement categories by type of activity, 1969–95 (in Dfl. thousands)**

Type of activity	Total number	Disbursements cat. IVe	Disbursements cat. IIa	Total disbursements	%
Personnel inputs (contracts)	155	32,423.5		32,423.5	81.2
KSPs	11	665.8		665.8	1.7
Additionally financed projects	14		6,830.0	6,830.0	17.1
Total	33,089.8	6,830.0	39,919.3	100.0	

Note: Disbursements were subdivided according to the corresponding Dutch budget line: budget category IVe in the case of the SNV associates and KSPs, and IIa in the case of the additionally financed projects.

### 8.2.1 Features of host and partner organizations

The activities of SNV-Bolivia are always carried out with local counterparts: the host and partner organizations. Annexe 8 presents an overview of all 49 organizations that have been SNV's partners. Thirty-nine received development associates, while 24 received project funding through the SNV. Fourteen of these partner organizations were given one or more projects and one or several associates, but not necessarily at the same time. Of the 49 organizations, three were networks or umbrella organizations, 27 NGOs, 13 grassroots organizations, three are church organizations and one a government agency. Two could not be classified.

Except for the NGO CIPCA which manages an overall annual budget of over US\$ 3 million, and some of the NGO networks, organizations were rather small. The average annual budget in most cases was below US\$ 50,000. Most of the organizations were supported by more than one donor.

The majority of the organizations were dedicated to rural development activities such as extension, training, provision of services, infrastructure and organizational strengthening. To a lesser degree they aimed at improving the economic situation of the target groups by supporting production and marketing activities. Target groups were either the rural

poor or the marginalized urban population. Most host and partner organizations worked with communities and existing groups like the trade unions, women clubs and producers' associations. Over the years there was a shift from agricultural production-related activities in the Andean Highlands to training and themes such as gender, environment and ethnicity in the Lowlands.

The choice of host or partner organizations is of fundamental importance for the implementation of SNV policies. Despite the more recent policy decision to focus on grassroots organizations, most partner and host organizations continued to be NGOs. Most NGOs were stable organizations with at least ten years of accumulated experience. They had institutional contacts with NGO networks and increasingly collaborated with the public sector. The Law on Popular Participation and the Law on Administrative Decentralization offered ample room to NGOs to develop new initiatives and to establish links with the municipalities. Some organizations also maintained contacts with other projects financed by the Netherlands or with multilateral institutions. Grassroots organizations were less stable than the NGOs, since they frequently suffered from organizational and management weaknesses. In a number of cases this cast doubt on their suitability as host or partner organizations.

### 8.2.2 *Personnel inputs*

The evaluation was restricted to regular personnel inputs, defined as postings of development associates in a host organization. Thirty-nine host organizations received associates, of which five received more than five inputs, fifteen received from two to four, and nineteen received only one input. Frequently, the development associates worked during two or more contract periods. Table 8.3 presents the number of contracts for personnel inputs arranged by type of organization between 1969–84 and 1985–95.

**Table 8.3** Number of contracts for personnel inputs by type of organization, 1969–95

Type of organization	1969–84		1985–95		Total	
	number	%	number	%	number	%
NGO	81	98	49	68	130	84
<i>of which Lavi Grande, IT, ICMY</i>	59	71			59	38
Grassroots organization	1	1	13	18	14	9
NGOs network	1	1	7	10	8	5
Public sector			3	4	3	2
Total	83	100	72	100	155	100

Note: Lavi Grande, the IT and the ICMY were education institutes run by the Catholic Church.

During the first five years (1969–74) 46 development associates were posted, mostly at the educational institutes on which SNV efforts focused at the time: the Technological Institute and Training Institute for Women in the Yungas. During the next ten years the number of inputs decreased, primarily due to the closure of the national headquarters and further as a result of the effort to ‘bolivianize’ the host organizations (at that time Bolivian associates were not yet contracted). During the García Meza regime in the early 1980s there were only eleven inputs. After the headquarters reopened in 1984, the number of associates was restored to its previous level. The duration of support by development associates fluctuated from six months (9%) to over 36 months (21%), with an average of two years. Over time, the duration of the contracts increased and more contracts were extended.

Most associates worked in the departments of Cochabamba (43%), La Paz (22%) and Santa Cruz (17%). Before the 1980s there was no explicit policy regarding the contents of the personnel inputs. Most of the support was in the fields of education, agriculture (including livestock and forestry) and, to a lesser degree, W&D and radio communication. Table 8.4 indicates the distribution of personnel inputs by field of activity over the period 1969–95.

**Table 8.4 Personnel inputs by field of activity**

Field	Number of postings	Percentage
Education	57	37
Agriculture/livestock and forestry	45	29
Women and Development <sup>11</sup>	7	
Radio communication <sup>8</sup>	5	
Others	34	22
Total	155	100

### 8.2.3 Projects

#### *Small SNV projects*

The budget line for small SNV projects, the KSP programme, was introduced in 1991. It makes it possible for the SNV to finance (by grant or loan) project activities. Its main objective is to facilitate and fund activities initiated by local NGOs or grassroots organizations. A small SNV project has a maximum duration of three years and a budget not exceeding Dfl. 100,000. In Bolivia, eleven KSPs were financed up to and including 1995, with a total disbursement of Dfl. 665,800 and an average of about Dfl. 60,000 per project. Table 8.5 presents the small SNV projects.

**Table 8.5 Small SNV projects (KSPs) by project category, 1969–95**

Project category	Number of projects	Number of grassroots org./ NGOs involved	Department	Disbursements (Dfl.thousands)
Organizational and economic strengthening of indigenous population in the Lowlands	5	2 GrO 2 NGOs	Santa Cruz, Pando	331.3
Women and Development	2	2 NGOs	Chuquisaca, Beni	67.4
Agriculture and agroforestry	2	1 GrO 1 NGO	Cochabamba, Beni	193.0
Others	2	2 NGOs	Tarija	74.1
Total	11	3 GrO 7 NGOs		665.8

The prevailing category of projects embraced a variety of activities in support of indigenous groups in the Lowlands and their organizations. Five small SNV projects were developed in support of the defense of territories inhabited by ethnic minority groups in the tropical jungles, in particular the Ayoreos. The support included publicity; training and education; economic strengthening; promotion of export of chestnuts; community development activities; legal defense; and sustainable forest management by means of a certification system for tropical timber.

In accordance with SNV policies, the KSPs' main basis of assessment is the attention paid to Women and Development. As a result, most projects included a W&D component. Two projects specifically addressed gender issues: one supported an inter-institutional discussion on gender (Beni) and another carried out research on the position of women in small urban areas (Chuquisaca). The agricultural projects supported seed multiplication by the APT and agroforestry in the tropical Beni department.

In practice, the KSP programme supported those NGOs and grassroots organizations that were hosting development associates. Eight out of the nine partner organizations for small projects hosted an associate during the period 1991–95, but not always at the same time.

#### *Additionally financed projects*

Before 1991, the SNV did not finance projects from its own resources but acted as intermediary for Bolivian organizations to obtain funds from third parties (i.e. DGIS, co-financing agencies). Between 1981 and 1995, fourteen additionally financed projects were implemented by partner organizations, supported by SNV-Bolivia. In total these projects involved disbursements of Dfl. 6,830,000. About 95% of the funds for these



projects were provided by DGIS. The procedural guidelines for additional financing include a cost/benefit analysis and require the project's recurrent costs to remain within the financial capacity of the partner organization. The additionally financed projects are presented in table 8.6.

**Table 8.6** Additionally financed projects by category

Category of project	Number of projects	Number of grassroots org./ NGOs involved	Department	Disbursements (Dfl.thousands)
Strengthening of grassroots organizations	1	7 GrO	Cochabamba, Chuquisaca, Potosí, Tarija	5,380.0
Women and Development	7	4 NGOs 1 GrO.	Cochabamba, La Paz, Santa Cruz, Tarija	934.0
Others (handicraft, pig-breeding, seed potatoes, self-help housing, cooperatives, culture)	6	2 NGOs 1 GrO, 4 unknown	Beni, La Paz, Santa Cruz	516.0
Total	14	6 NGOs 9 GrO		6,830.0

Note: Categories are not mutually exclusive, i.e. the strengthening of grassroots organizations includes W&D W&D activities.

In number, half of the projects were classified as W&D projects, embracing amongst others agricultural activities such as the installation of demonstration plots and solar greenhouses; awareness of women's rights; and the strengthening of women's organizations. In terms of disbursements, the Programme for Strengthening Grassroots Organizations is the largest project (Dfl. 5.38 million). It started in 1994 and provided support to seven organizations in Highland departments, aiming at the economic and managerial strengthening of the organizations involved. The Smallholder Agricultural Corporation CORACA-Aiquile (Cochabamba) was given support for the marketing of agricultural produce, storage of maize, pig-breeding and the extension of irrigation systems. The Wheat Growers' Association APT in Cochabamba was given technical assistance for the marketing of wheat. The Warmi Centre contributed to the employability and awareness of women and youth in the periphery of the city of Cochabamba. Technical assistance was provided to the Peasant Milk Producers' Association (ADEPLECH) in Chuquisaca with the aim to improve traditional dairy systems and the marketing of dairy products. The CORACA Potosí and the Regional Peasant Cooperative in Potosí (COINCA) both aimed at supporting the peasants' socioeconomic situation by improving the marketing of their produce and by strengthening the cooperative organization. Finally, the Training and Research Centre for Rural Women in Tarija (CCIMCAT) was given support for the production and marketing of agricultural produce.

While the small SNV projects focused on the ethnic minorities in the Lowlands, the additionally financed projects were implemented mainly in the Andes departments. This reflects the different focus of SNV and DGIS country policies: the SNV considered the Lowlands as one of its priority areas, the DGIS Andes Programme focused on Andes departments.

### 8.2.4 *The sample*

A sample was taken of personnel inputs and projects (both KSPs and additionally financed projects). The personnel input sample included 27 associates, covering different time periods, fields and assistance to both NGOs and grassroots organizations. Three KSP projects and five additionally financed projects were selected for in-depth study. In four cases the organization involved received both an associate and project support.

Table 8.7 compares the sample with the total population of SNV activities in Bolivia.

**Table 8.7** Number of sampled SNV activities by type, 1969–95

Type of activity	Total number	Number in sample	Total disbursements (Dfl.'000)	Disbursements in sample (Dfl.'000)	%
Personnel inputs (contracts)	155	45	32,423.5	5,241.4	16.1
<i>development associates</i>	105	27			
<i>host organizations</i>	39	15			
KSPs	11	3	665.8	169.5	25.5
Additionally financed projects	14	5	6,830.0	2,674.1	39.2
<i>partner organizations</i>	26	8			
Total			39,919.3	8,085.0	20.3

#### *Personnel inputs*

The main fields for all personnel inputs were education, agriculture and forestry, and W&D. These themes are reflected in the categories of host organizations that received the development associates included in the sample. Five categories of host organizations were distinguished according to their main objective:

*i. Agricultural production and marketing:* organizations aimed at improving living conditions of the rural population, usually in the Highlands, by production and training. One organization aimed at the improvement of wheat and wheat seed production and marketing by smallholders, and another aimed at the strengthening of peasant organizations

through cooperative and associative forms of production and the marketing of agricultural inputs and produce.

*ii. Education and Documentation:* training institutes aimed at technical education and the training of teachers; organizations aimed at the training of miners, and a project aimed at self-help for the improvement of housing conditions in El Alto.

*iii. Support to the indigenous population in the Lowlands:* the objectives of these organizations consisted of improving the socio-economic living conditions of ethnic minorities in the Lowlands by strengthening indigenous movements and trade unions, providing social services, promoting sustainable forest management and extending assistance to territorial claims.

*iv. Women and Development:* the objectives of these organizations included the education, training and organization of peasant women, the defense of women's rights, and the socio-economic improvement of women by the development of micro-enterprise.

*v. NGO networks:* this category comprised two organizations: a national network of health NGOs and a network of communication organizations.

Table 8.8 presents the sample taken of associates and their functions in the host organizations. Annexe 9 provides details on the host organizations, while an overview of the tasks, results and problems per associate is presented in annexe 10.

The development associates in the sample performed different tasks but also had functions in common. Most of them were mainly involved in teaching or training of staff either in the host organization or the target group. Research activities were carried out by most of the associates, either as part of their duties or as additional contributions. The establishment and development of centres and institutions (i.e. carpentry workshop, training, day-care and documentation centres) was common, while almost all associates performed organizational, coordination and management functions within their host organization. Most host organizations had no policy regarding the development associates. Organizations that had previously hosted associates elaborated profiles regarding the skills and knowledge required. Many organizations accepted or requested SNV personnel inputs because there were no costs involved and because they expected equipment and/or funds.

### *Projects*

All three small SNV projects selected were directly related to the strengthening of economic and organizational capabilities of ethnic minorities in the Lowlands. Three

**Table 8.8 Functions of personnel input in sample**

Category and organizations	No. of assoc.	Functions of personnel inputs
<b>Agricultural production and marketing</b> APT/CESAT CIPCA CORACA Lavi Grande	10	project coordinator; planning, extension and monitoring; assistance with livestock, irrigation, horticulture and nutrition; seed potato programme; management of a carpentry workshop
<b>Education and Documentation</b> IT SIDIS Red Habitat CEDOIN	8	formal instruction in electronics and mechanics; training programme for teachers; administrator; assistance to miners' union school; research; introduction of gender approach; documentation centre and the publication of a journal
<b>Support to indigenous population in the Lowlands</b> APCOB CIDOB	4	elaboration of a strategy for the development of indigenous communities; ad interim management NGO; planning and extension; assistance to agro-forestry; coordination of the Sello Verde project (timber certification)
<b>Women and Development</b> FNMCB CIDEM Warmi	3	strengthening organization, developing didactic materials; research relations between NGOs and grassroots women's organizations; publication; assistance in day-care centre
<b>NGO networks</b> ASONGS ERBOL	2	research NGO performance within communities; coordination, documentation; training in communication

of the additionally financed projects in the sample were part of the Programme for Strengthening Grassroots Organizations and two were W&D projects implemented by different NGOs. In the project analysis no distinction was made between the two financing sources. The projects support the activities of partner organizations in three fields:

*i. Support to agricultural production and marketing.* Support was given to CORACA Potosí for the production of seed potatoes, sheep-breeding and internal strengthening in four provinces. The producers' association APT contributed to the production and marketing of wheat and improved cattle-breeding in three provinces in Cochabamba. COINCA worked in the field of agricultural production, marketing and training in 25 communities in the Potosí department.

*ii. Women and Development.* The NGO CEPROMU promoted and strengthened women's organizations. The SNV administered a project providing resources to organize courses for extension workers, develop methodologies on popular education and produce didactic

materials in the La Paz department. For the NGO ICO, aimed at the economic strengthening of female peasants, SNV-Bolivia supported field trials and technology transfer for female members of trade unions in four communities in the Santa Cruz department.

*iii. Support to the indigenous population in the Lowlands.* The objectives of the NGO APCOB were the legal defense and territorial consolidation of the Ayoreo population. The SNV project made resources available for the recovery of territories and the consolidation of current settlements of five communities in the Santa Cruz department. The grassroots organization Centre for the Native Ayoreo of Eastern Bolivia (CANOB), which is supported by APCOB, aimed at the strengthening of indigenous movements in eastern Bolivia and the improvement of the socio-economic and political conditions of the Ayoreo population. SNV-Bolivia made funds available for communication, such as the organization of meetings, travel expenses and radio communication, as well as for training and the development of project proposals. The Union of Peasant Farmers in the Lowlands, CIDOB, also aims at the strengthening of indigenous communities. SNV financed technical, social and economic feasibility studies and a pilot project for timber certification in Lomerío, Santa Cruz.

Table 8.9 presents the projects sample. Annexe 11 provides details on the partner organizations that executed the projects included in the sample.

## **8.3 Results**

As the activities of SNV-Bolivia were all carried out by the host and partner organizations together, the performance of the development associates and projects were to a large extent conditioned by the operational capacities of these organizations. Due to the fact that they aim mostly at medium- and long-term changes, results could sometimes not be observed. Increase of such qualities as self-esteem, self-confidence, level of knowledge and capabilities were difficult to analyse and impossible to quantify.

### **8.3.1 Results of personnel inputs**

After a general discussion of the results of personnel inputs, specific results will be presented by category of objectives of the host organization. In all 27 cases evaluated, the need for the personnel input was formally identified by the host organization. Only in a few cases did the host organization elaborate the profile of the associate being requested. In practice, initiatives were mostly taken by SNV-Bolivia. In 40% of the cases, the inputs were follow-ups or renewals of SNV personnel inputs previously provided. For the

**Table 8.9 Sample of projects**

<b>Partner organization</b>	<b>NGO/ Grass-roots</b>	<b>KSP/ addit. financed</b>	<b>Project objectives</b>	<b>Disbursement (Dfl. '000)</b>
<b>Agricultural production and marketing</b>				<b>2,285.3</b>
CORACA-P	GrO	Add. financed	Strengthening of grassroots organizations: production of seed potatoes and sheep-breeding	
APT	GrO	Add. financed	Organizational strengthening for marketing of wheat and improved cattle-breeding	
COINCA	GrO	Add. financed	Organizational strengthening through agricultural production, marketing and training	
<b>Women and Development</b>				<b>388.8</b>
CEPROMU	NGO	Add. financed	Methodology development on popular education and the production of didactic materials; courses to extension workers	
ICO	NGO	Add. financed	Field trials and demonstration plots for female producers	
<b>Support to indigenous population in the Lowlands</b>				<b>169.5</b>
APCOB	NGO	KSP	Strengthening of the capacity for self-government of Ayoreo communities; recovery of territories and consolidation of current settlements	
CANOB	GrO	KSP	Internal strengthening of Ayoreo communities by communication: meetings, travel expenses and radio communication. Training and project proposals	
CIDOB	GrO	KSP	Sustainable forestry. Feasibility study and pilot for timber certification in Sello Verde	
<b>Total</b>				<b>2,843.6</b>

host organizations, the human and social qualities were most important for development associates, but the selection criteria applied by SNV-Bolivia were not necessarily the same. In any event, the participation of the host organization in the selection and decision process was negligible. The recruitment procedures, training and contracting took on average eight months. Twenty-three of the 27 associates had a job description. The host



*El Alto. Day-care centre*

organizations were usually not acquainted with the job description, since it was not available in Spanish. SNV has only recently started to translate job descriptions.

Development associates usually had the status of advisors or members of a technical team within the host organizations. A quarter of them were coordinators or heads of teams. Over half carried out other tasks on top of those defined in their job descriptions, mainly in the field of management and project administration. Some NGOs preferred that the associates restrict themselves to technical tasks and refrain from management involvement, since their stay as guests was only temporary and legally they could not be held responsible for management decisions taken. In contrast, others invited development associates to perform management tasks, even to the point of giving them the role of interim director. In half of the host organizations no formal counterpart had been assigned, despite SNV's guideline stipulating that associates should have counterparts in order to transfer knowledge and skills.

About half the host organizations (mostly the NGOs) preferred expatriate development associates, stressing that the specializations required were not yet sufficiently available in Bolivia and appreciating their efficiency, punctuality, discipline and/or sense of responsibility. The rest of the host organizations (mostly grassroots organizations) opted for development associates of Bolivian nationality and emphasized that expatriates could not

bridge the cultural and language gap. In one-third of the assignments conflicts occurred between the associate and the host organization, but these could be settled in most cases. Only in two cases did conflicts lead to the departure or withdrawal of the development associate involved.

### *Agricultural production and marketing*

The national NGO CIPCA had a long history of personnel inputs. In most cases associates carried out mainly technical functions. Tangible results were observed in the fields of irrigation, livestock and forestry. Zootechnical teams were trained, community committees for dairy production were established, irrigation committees were set up and trained in irrigation techniques. The support to the NGO Lavi Grande (mainly involved in rural development) included the management of a carpentry workshop. Both local trainers and students were trained in furniture construction. Personnel inputs to the wheat growers' association, APT, were concerned in principle with improving techniques for the use of straw for livestock production, but in practice they were involved in project coordination and management of the association. Sub-projects were elaborated, local extensionists trained and a gender approach introduced. Development associates were assigned to different sections of the economic wing of the Confederation of Peasant Workers (CSUTCB), CORACA. There was improvement in administrative marketing procedures of agricultural inputs and produce, but an expansion in terms of volumes traded was not observed. One development associate assigned to the production of seed potatoes and fodder in practice fulfilled multiple functions: from the drafter of project proposals to driver, from potato expert to zootechnician. The production of seed potatoes by producer groups increased substantially, which could be attributed to both the efforts of the potato project PROSEMPA (see chapter 6) and the assistance provided by the development associate.

### *Education and Documentation*

SNV-Bolivia started with providing support to the Technological Institute in Cochabamba, where teachers in electrical engineering and mechanics were posted as well as an administrator. During the period 1972–75, about 40 students graduated annually in engineering, metal mechanics and motor mechanics. Between 1975 and 1978 the number of graduated students doubled. Graduates obtained employment rather easily. From 1975 onwards, the Institute could be 'bolivianized' thanks to the training of teachers by the associates.

A documentation centre at the miners' union was established and material was copied on microfilm. Later on the development associate started organizing the union's school and became the school's temporary director. Another documentation centre was established



(Centre for Documentation and Information CEDOIN), originally aimed at registering the contemporary history of dictatorship. Later this centre specialized in labour union issues and published various journals. In addition, the development associate contributed material to the SNV publication on Bolivia's external debt.

### *Support to the indigenous population in the Lowlands*

Development associates provided general technical assistance to the management of APCOB and in one case replaced the director temporarily. In addition the SNV-Bolivia policy plan for the Lowland indigenous population was elaborated. A plan on sustainable forest management for the National Environment Fund (FONAMA), was also formulated. New institutional networks were set up, such as with the Departmental Development Corporation. More coherent working relations with grassroots organizations were established. The most tangible result was the introduction of a label (the certification standard) for ecologically sound tropical wood and timber. This label was also introduced in other countries, such as Honduras, together with similar projects. The development associate involved played a fundamental role, not only with respect to the technical aspects but also with respect to organizational aspects, such as international relations and networking with traders.

### *Women and Development*

Five development associates worked exclusively on women's issues. Another eight carried out activities with women or introduced a partially gender-sensitive approach in the Programme for Strengthening Grassroots Organizations, APCOB and Red Habitat. The contribution of the development associates to the W&D policy of the various organizations could only be traced in six cases and was still modest, since the activities had started only recently. Two-thirds of the personnel inputs had no effect at all on the target group in the field of Women and Development. There was especially little attention given to the W&D in the case of personnel inputs provided during the early years, for example at the Technological Institute.

Three host organizations dealing specifically with W&D issues were supported. One development associate worked in the National Federation of Peasant Women of Bolivia—Bartolina Sisa (FNMCB-BS) with the aim to strengthen this grassroots organization, to improve existing teaching material for women and to design new material. Internal divisions in the Federation led to negligible results. Another associate worked in the day-care centre associated with Warmi, an organization dedicated to improving the employability of women in urban micro-enterprises. The input contributed to the improvement of the infrastructure and facilities for the children. Conflicts with the director led to the discon-

tinuation of support by the SNV. The personnel input posted for one year in the CIDEM documentation centre and office of legal affairs managed to reorganize the centre and to establish documentation procedures.

#### *NGO networks*

Support was given to the national network of NGOs active in the health sector (the (Association of Non-Governmental Organizations in Health, ASONGS) and the network of organizations in the field of communication (ERBOL). In both cases the development associates fulfilled technical and managerial roles and acted as direct advisors to the director. In the case of ERBOL the technical equipment was improved and the personnel was trained. In the case of ASONGS an inventory was made of all NGOs working in the field of health, seminars were organized, information material was prepared and networks were established. The result was that the number of member NGOs in ASONGS increased from 8 to 32.

### **8.3.2 Results of the projects**

After a general discussion of the results of all projects studied, specific results will be presented according to category of objectives of the partner organizations.

In principle, the implementation of projects has been the exclusive responsibility of the partner organization. The lack of financial resources, skilled personnel and organizational capacity were mostly impediments afflicting projects implemented by grassroots organizations. Almost half of the partner organizations, particularly the smaller ones, did not carry out audits and or possess the capacity to institute a monitoring system. Partner organizations indicated that apart from the direct project results, responsibility for project implementation and compliance with SNV procedures produced positive indirect results for the organization, such as the transfer of know-how and the adoption of new methodologies. Most partner organizations (except for the more experienced and larger NGOs), found that project execution involved a learning process. Tangible results could not be expected from all projects due to the character of the project objectives, but results reflected in improved organizational coherence, management capacity, increased awareness or improved participation were also taken into account. The financial administration and supervision of additionally financed projects were increasingly entrusted to development associates, who generally were not prepared for this task. This role was also difficult to reconcile with that of technical advisor and could lead to conflicts with the host organization.

The scale of the results and the spin-offs varied according to project. Small projects undertaken by grassroots organizations produced results at a local level, such as the demonstration plots of ICO or the results of the COINCA project, which reached only the 550 members of the affiliated cooperatives. In contrast, the ecological labelling of timber from the natural forest not only had results for the indigenous population groups but also produced spin-offs at the level of the national wood traders and even received international recognition.

Though SNV-Bolivia made an effort to inject a gender approach into the projects, in practice few tangible results could be observed. Apart from the CEPROMU and ICO projects, the others had no substantial W&D component. Generally, the partner organizations had no personnel with gender training. The development associates assigned to assist the implementation of the projects lacked the strategy and instruments to implement W&D policies. No systematic monitoring took place.

#### *Agricultural production and marketing*

The projects implemented by COINCA, CORACA-P and APT aimed at the institutional and economic strengthening of grassroots organizations. Since they were still in their first implementation stages, it was difficult to arrive at conclusive statements on their results. However, the management problems and lack of operational capacity demonstrated during the first stages were points of concern for further performance. The COINCA project aimed at improving irrigation systems and the production and marketing of agricultural produce. Extension staff were contracted, and the local affiliated cooperatives allocated communal plots for the production of seed potatoes, broad beans and wheat. Major bottlenecks during the first stage were the low level of formal education of the leaders of the umbrella cooperative and affiliated cooperatives and the absence of a truck to implement the marketing component. Response from the communities and participation in training courses, especially by women and youth, was encouraging. The project executed by APT, elaborated regional wheat production plans and marketing strategies and convinced its members to plant according to these plans. Although CORACA-Potosí is experienced in marketing, the project activities in direct production were new. No results could be shown yet in seed potato multiplication, sheep-breeding and fodder production. The organization lacked administrative capacity and was vulnerable to party political interference. A consequence of CORACA and COINCA's administrative shortcomings was the dependence on the SNV development associates to run the projects.

#### *Women and Development*

The projects executed with CEPROMU and ICO focused directly on women. The Training Institute for the East ICO received resources from Dutch emergency aid (1984),

channelled through SNV. In two provinces in Santa Cruz, pesticides, seed and knapsack sprayers were used to establish demonstration plots, and trials aimed at applying modern cultivation practices to consumption potatoes and rice seed multiplication. Extension services aimed primarily at female producers. A rotating fund was established with the proceeds of the sales of inputs. This fund decapitalized rapidly due to hyperinflation and low recuperation rates. The NGO CEPROMU implemented a project aimed at training community workers (extensionists) in popular education. The project enabled the extension of the existing small library and documentation centre on popular education and the development of training material. Courses and workshops by and for women were organized. By the end of the project in 1989, a network on popular education had been established in La Paz. In later years this network disintegrated.

### *Support to indigenous population in the Lowlands*

Projects that supported CIDOB and APCOB resulted in the institutional strengthening of the organization or target group in terms of planning, decision-making capacities, accumulation of expertise and coordination. The projects also contributed to getting the territorial claims of Lowlands ethnic minorities and the sustainable management of natural forest resources on the political agenda. Because these issues had not been integrated into a broader national policy framework until then, these results were recognized as important. The projects also succeeded in enhancing community participation in the management of natural resources. The Sello Verde certification project succeeded in protecting the territories of the indigenous population from commercial tropical wood and timber merchants. This project also exerted a positive influence on national environmental policies, since it was the first incidence of wood certification in Bolivia.

The project executed with the grassroots organization CANOB aimed at strengthening the Ayoreo communities in the department of Santa Cruz by providing funding for the organization of meetings and micro-projects. The project was a complete failure with no tangible results at all due to bad management, internal conflicts and political interference. An internal SNV evaluation resulted in the project closing down. In spite of the poor results, the project produced collateral effects for SNV-Bolivia, such as a better understanding of the difficulties and constraints of interventions in an indigenous culture, the establishment of informal contacts with the Ayoreos and the formulation of a specific strategy on support to the indigenous population. Lessons learned were that planning through a conventional project was not the most suitable way to work with the Ayoreos and that interventions had to be carefully adjusted to culture and living practices. Gradual, long-range and experimental training schemes with process approach features, and without targets set on immediate tangible results, were identified as suitable interventions. Current SNV-Bolivia policies for the Lowland communities follow this approach.

## 8.4 Evaluation

### 8.4.1 Relevance

#### *Personnel inputs*

The relevance of personnel inputs relates to whether the development associates were necessary or beneficial to the performance of the host organization, since they cannot be considered 'stand alone' activities. Although the need for personnel inputs was formally identified by the host organization, this need could not always be ascertained in practice, as in some 15–20% of the cases the host organizations and posts were determined by personal interests or the SNV's institutional interests. An example of institutional interests is the realization of SNV-Bolivia policies, such as the preference for working with grassroots organizations in the Lowlands.

All host organizations pursued objectives and implemented activities that were relevant to poverty-related problems in the Bolivian society. Except for the two NGO networks, all organizations worked directly with the smallholder population or with the population from the urban periphery, and their activities were considered relevant. Although the NGO networks served a facilitating and enabling function, they could not be considered as relevant as the other organizations, at least regarding their direct contribution to poverty alleviation among the target groups. On the other hand, they were certainly indirectly relevant, as their activities contributed to the improved functioning of the NGO system as a whole and helped the individual NGOs to function better.

The personnel inputs aimed to strengthen the policies and activities of the host organizations involved and were relevant to them in principle. This was also evidently the opinion of the organizations themselves, which in the first place requested and later accepted the personnel input concerned. Yet in practice some organizations had no clear ideas or policies regarding the role and functions of the associates. Some 80% of the personnel inputs were relevant to either the host organization, the target group or both.

The relevance to SNV policies was assessed, taking into account the gradual shift in policy over time. A noteworthy change in policy was the shift from NGO support to a preference for supporting grassroots organizations. Although the support to public sector institutions qualified according to the Second Five-Year Plan, in practice the ways to support the public sector were limited. Policy convergence between the SNV and the choice of partners was generally high, since SNV selected the host organizations on the basis of matching policies. In some cases, the SNV had difficulty finding suitable host organizations among grassroots organizations, and selection criteria were less strictly adhered

to. The objectives, target groups and activities of the NGOs and grassroots organizations were also relevant to SNV policies, although the gender approach in most organizations, in particular the grassroots organizations, was lacking or incipient. Since few indigenous grassroots organizations existed, it was difficult for the SNV to find suitable organizations among them. During the first years the SNV cooperated with some strategically placed institutions, supporting popular interests in matters of legislation, public opinion, politics, etc. which later no longer qualified for support. In these cases, the policy preference for working with grassroots organizations seemed to have been interpreted too strictly, as relevant activities at a strategic and institutional level in an incipient process of democratization were discontinued too early. The choice of the grassroots organizations per se was relevant in view of the overall policy focus on poverty and the grassroots level. Grassroots organizations, however, showed such organizational and methodological weaknesses that their suitability as recipient organization was at stake. The policy to prefer working with grassroots organizations was not analysed in sufficient detail.

Development associates were mainly involved in education, livestock and agriculture and, to a lesser extent, in radio communication and Women and Development. These fields only partly reflected the full range of policy priorities of the SNV in Bolivia (including such areas as attention to ethnic minorities in the Lowlands), probably due to the time lag between formulating the policy and its implementation, as well as the problem of finding suitable counterparts. The regional distribution of the postings also showed little correspondence with the SNV's areas of concentration. During the period 1985–95, SNV policy priorities (i.e. Women and Development, indigenous peoples, environment and miners) were only reflected in the activities of 20 out of 72 personnel inputs. In general, the job descriptions did not include the topic of gender, although associates were expected to pay due attention to the subject. The SNV concentrated on the improvement of women's basic conditions, but paid little attention to improving their self-esteem or social resilience. The relevance in terms of gender was generally low.

### *Projects*

All projects financed or implemented on behalf of third parties were relevant with regard to the problems they addressed. Projects were identified by the partner organizations, usually with the target group. The SNV's support was crucial for the realization of the project objectives and thereby for the implementation of the organization's own policies, given the lack of organizational financial resources. Consequently, the relevance of the projects was high with regard to the recipient organizations' policies. The projects were also relevant to SNV policies, in particular to the policies on the environment, the indigenous population of the Lowlands and support to grassroots organizations. Although gender was considered a cross-cutting issue, projects were less relevant from the gender

point of view, except those carried out with ICO and CEPROMU. The latter organization participated in a group of NGOs that succeeded in putting the subject of gender on the political agenda.

In conclusion, the relevance of personnel inputs and projects in terms of the problems of Bolivia was high. Relevance to the policies of the host and partner organizations was high both in the case of personnel inputs and in the case of project support. In terms of SNV's own policies the relevance was lower, in particular regarding the gender policy or regional focus.

### **8.4.2 Effectiveness**

#### *Personnel inputs*

The effectiveness of SNV associates was assessed in relation to the functions the associate was supposed to perform, such as the transfer of knowledge, the formulation of plans and development strategies, research, institutional structuring and restructuring, etc. With respect to the target population, the effectiveness of the associate was conditioned by the effectiveness of the host organization in attaining its objectives.

Although the transfer of know-how is related to both host organization and target group, most of the effects of personnel inputs could be registered at the institutional level. Using changes in institutional capacities as an indicator, over 60% of the personnel inputs resulted in such effects as the organization's improved credibility within its target group, a more forceful presence for the organization, or the implementation or improvement of planning and monitoring. In the remaining one-third of the organizations, no institutional effects of the postings could be ascertained.

In relation to the target group, only 50% of the personnel inputs were effective. Since the main objective of the personnel inputs was the strengthening of the host organization, the effectiveness at the institutional level was evidently higher than at the level of the target groups.

The effectiveness of the personnel inputs was influenced negatively by factors beyond the control of the development associate, such as the lack of cohesiveness within some grassroots organizations of Lowland indigenous peoples, the duration of the inputs and the concentration of personnel inputs within a single host organization. Many personnel inputs over a long period of time contributed to their general effectiveness such as had been the case with the Technological Institute in the 1970s and the ICMY in the 1980s. Since

the 1990s, however, continuously repeating personnel input in the same organization was considered undesirable by SNV-Bolivia from a sustainability point of view.

The effectiveness of the development associates was rather low in the realization of SNV policy priorities. In many cases the development associates did not know how to implement these policies in practice. In fact, the SNV's general policies seemed almost irrelevant to the development associates' daily performance. The SNV as an organization did not provide the corresponding operational and practical instruments and guidance, which was a striking omission considering the trend towards more professionalization. The SNV's Women and Development policy, which was not reflected in the daily work of the SNV associates, can be mentioned as an example. Eighteen out of the 27 SNV associates could not show any effects at all with respect to improving women's economic situation, while only six associates influenced the W&D policies of their host organization.

### *Projects*

The SNV projects aimed both at strengthening the partner organization's performance and at supporting these organization's target groups. Except for the project implemented by the grassroots organization CANOB, all projects were more or less effective in strengthening the partner organization. A collateral effect was a significant learning process that took place through project implementation. This pertained in particular to smaller partner organizations, which were less familiar with managing and administering financial resources.

The effectiveness of the projects in terms of category of partner organization varied. Of the projects aimed at agricultural production and marketing, the effectiveness on the target group could not be assessed for two of the projects, which were still in their first stages of implementation. Doubts existed regarding the potential effectiveness on the strengthening of the organization, since participation of members was rather low. For the project supporting APT, the wheat growers' association, the increase in association membership could be considered as an indicator of effectiveness. SNV support enabled the association to become gradually more independent. Both of the projects aimed at supporting Women and Development were effective.

Although the general SNV policy was to improve women's basic living conditions, social status and economic independence, in Bolivia the SNV mainly supported projects in the economic area. Except the CEPROMU and ICO projects, which were successful, most other activities studied did not contain a W&D component. They did not specify the target groups in gender terms. Neither the general policies formulated by DGIS nor those by the



SNV were taken into account in the project implementation. In the projects no significant improvement was found in women's basic living conditions or economic independence.

Of the projects aimed at supporting indigenous communities, the project implemented by CANOB was a failure, but Sello Verde, the APCOB and the CIDOB timber-labelling project, was very effective and exerted positive influence on environmental policy at national level.

Some of the larger host and partner organizations (CIPCA, CIDOB, APCOB, CIDEM) exerted influence on the country's institutional changes and new legislation (e.g. on people's participation at local level; indigenous communities, sustainable environmental management). Various host and partner organizations exerted influence on national policy-making. Large NGOs such as CIPCA and APCOB were deeply involved in the issue of Bolivia's ethnical and cultural plurality, including aspects like bilingual education and the defense of territories. CIDEM played an important role in putting the subject of gender on the political agenda. The communication network ERBOL played an important role in developing local radio stations and even national broadcasting. It also developed special programmes on women's issues and was linked internationally through satellite communication.

### **8.4.3 Efficiency**

#### *Personnel inputs*

In order to be efficient, a number of necessary institutional prerequisites for success had to be met, which did not always take place. Factors beyond the control of the development associates that influenced their efficiency were: 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. For example, the lack of cohesion of grassroots organizations of Lowlands indigenous peoples had a negative impact on the efficiency of the personnel inputs. Development associates were supposed to have a counterpart within the host organization, but this was only the case in half the postings. With few exceptions the associates had a job description, but in practice in over half of the cases the responsibilities exceeded the tasks assigned. Rather than performing technical tasks, many associates became involved in coordinating and managerial responsibilities. Eighty percent of the associates evaluated their own performance as efficient, which in most cases was corroborated by the host organization. The good logistic support (transport, equipment) and facilities given by the SNV to the development associates helps to explain this result. Three-fourths of the development associates faced no particular material or

human resource constraints. The efficiency of the others was usually impeded by a lack of resources, especially at the level of the host organization. Cumbersome paperwork, the lack of adequate planning, and politization in the case of grassroots organizations also had a negative influence on the efficiency of development associates.

Sixty percent of the SNV associates found that the training in the Netherlands (the process approach, the gender approach, culture and language) had been useful for their tasks in Bolivia, while 30% of the host organizations regarded the language training as deficient. The lapse of time between the moment an associate was selected and the actual signing of the contract was too long (an average of eight months). The associates had to supply quarterly reports to the SNV but received little feedback, although this improved with the creation of regional offices. The efficiency of both the SNV personnel inputs and the projects increased with the decentralization of SNV-Bolivia, which facilitated logistic support such as the acquisition of vehicles, computers, etc. The professional backstopping provided to associates by the national headquarters or from the Netherlands was insufficient.

### *Projects*

Most projects aimed at strengthening grassroots organizations such as producers' associations, unions, women's organizations and cooperatives. They involved relatively small disbursements, the efficient use of which was hard to determine. In addition, in the case of larger productive projects no cost/benefit analysis was carried out at 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. One of SNV's criteria for project financing was that the scale of the project should be in reasonable proportion to the partner organization's own resources. In practice, project funding was more a function of available external resources than a function of 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. The majority of the projects were executed within the time foreseen or were still ongoing at the time of the evaluation. In some cases delays in disbursements caused planning problems and resulted in staff turnover (APCOB, ICO). In general, working with the grassroots organizations of the Ayoreo population demanded time and energy. It proved to be difficult to the SNV to find suitable host and partner organizations, and the organizations selected had little organizational cohesion and management capacity.

There was constant communication between the partner organizations and the SNV. In general, the procedural aspects were closely followed, to such an extent that the SNV's

monitoring of the programme for Strengthening Grassroots Organizations was considered too rigid. The dominant role of the SNV in project administration and monitoring did not match SNV's principle of ownership of projects by the partner organizations.

#### **8.4.4 Sustainability**

The sustainability of the activities performed by associates depended on a number of factors such as the presence of a direct counterpart, 'on-the-job' training and transfer of knowledge and know-how, and the consolidation of the host organization. Transfer of knowledge was a component of the activities of all associates, be it transfer to the counterpart, to the target group, to local extensionists, etc. Although half of the associates never worked with a clearly identified counterpart (which could call into question the direct transfer of knowledge), in about three-quarters of the postings knowledge was transferred and the adoption of new approaches and methodologies by the host organization has been lasting.

Less lasting was the transfer of knowledge in the case of smaller grassroots organizations, where leaders rotated and there were frequent changes of functionaries and professionals. Only a few host organizations had clear consolidation strategies aimed at the independent continuation of activities originally performed by the associate.

Experiences varied regarding the sustainability of activities with the target group. Examples of sustainable activities were the total management of forest areas in the Lowlands by some of the local communities, and the full operation of the radio communication system and the ERBOL network of organizations by Bolivian personnel. The school of the miners' union continued to function independently, and women cultivated horticultural products successfully. Activities aimed at strengthening the grassroots organizations of indigenous communities were rather recent and less encouraging. The few activities completed were not sustainable. Assistance provided to a day-care centre was not sustainable either.

The sustainability of project results could not be determined in most cases, since projects were still ongoing. This applied in particular to the productive projects (the three projects aimed at strengthening grassroots organizations) and the wood and timber certification project. The sustainability of projects that had been completed was rather low, since project administration had depended largely on the SNV. Although most organizations took measures to consolidate 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 for the continuity of the activities, either by proposing new projects to the SNV or by contacting other potential donors.

It can be argued that the sustainability of projects aimed at the general strengthening of the partner organization was expressed by the continued existence of these organizations. Practically all host and partner organizations faced uncertainties regarding future financing, so financial sustainability remained a constant problem. The small number of external donors supporting each organization implied financial dependency, and continuity involved many risks. Faced with this problem, organizations attempted to set up production or commercialization projects in order to generate income. This 'commercial' practice was questioned by donors, including the SNV, especially if the activities were not carried out in accordance with the original objectives of the organization.

## 9 Women and Development

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In the evaluation of Dutch development cooperation with Bolivia, Women and Development (W&D) is a cross-cutting theme.<sup>26</sup> Aspects of gender and the impact on women's living conditions were considered in the design and execution of the sub-studies. One of the main instruments for the implementation of the Dutch W&D policy, the Local Fund for Women in Bolivia (LFWB), was chosen as the subject of an in-depth study. Use is made here of discussions from earlier chapters on the various programmes evaluated. General findings from other studies on the effects of Dutch development cooperation on Bolivian women are also quoted (see 9.4.1).

### 9.1 Women's conditions in Bolivia

Poor women's living conditions are discussed here within the framework of the four dimensions of autonomy defined by Dutch development cooperation policy: economic, political, socio-cultural and physical. Special attention is paid to the problems of women of Aymaran and Quechuan descent and, to a lesser degree, those of ethnic groups in Eastern Bolivia.

#### 9.1.1 *Economic position*

Although regional differences do exist, all rural women in Bolivia carry out domestic tasks, participate in agricultural and commercial activities and are involved in community work. The lack of basic services makes domestic work burdensome and time-consuming. Spinning is another constant task.

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<sup>26</sup> Women and Development is preferred here to the term 'gender', since W&D continues to be the name of the relevant DGIS programme, and the improvement of the position and living conditions of women its main objective. When the term 'gender' is used, it refers specifically to the socially constructed roles of women and men.



*Ayo Ayo. Women selling home-made cheese*

Both sexes perform agricultural and livestock activities, the first involving a greater proportion of men. Women's animal husbandry tasks include shepherding, milking, gathering eggs and shearing, while men tend to specialize in the handling of large cattle. Both sell products. In principle, large surpluses (crops and cattle) belong to males, while females carry out bartering and street vending of smaller surpluses. In the absence of men (through widowhood or migration), women's tasks increase (Albó et. al. 1990). Men and women alike make handicrafts or undertake other activities in order to supplement their incomes. The sexual division of labour increases women's workloads, while men tend to have more time for social activities. Several authors emphasize the high degree of economic complementarity between rural men and women (see also section 9.1.3).

Urban women are also in charge of the daily family sustenance. Both men and women participate in community chores, women in particular in food-for-work programmes, around which mother centres or clubs have formed. Women migrating to the cities chiefly work as domestic servants, seamstresses and food peddlers. Having remunerated work is very important due to male unemployment or low incomes, unstable marital relationships and male irresponsibility regarding family support. Women retail vendors can attain a high degree of economic independence and earn a large portion of the family income. Street peddling, with its flexible hours, is attractive work for women, because it can be combined with domestic responsibilities and other kinds of paid activities

and because women tend to have lower levels of education and technical training than men.

Over the last decades, the percentage of economically active women in urban areas has increased considerably (e.g. in La Paz and El Alto from 22.5% in 1976 to 40% in 1992). The number of women in non-salaried economic activities also increased since 1985, mainly in the informal sector (CEDLA/ILDIS 1994:24–31). Women are paid approximately 50% of what men receive for the same work and encounter serious legal and traditional restrictions on improving their incomes. In general, peasant women cannot own property, although they have the usufruct of their husbands' land (many local variations exist on how land is devolved). This makes access to credit and technical assistance particularly difficult for women (Llanos de Vargas 1991:5).

### **9.1.2 Political position**

#### *Decision-making at the level of the domestic unit*

A study carried out in the province of Carrasco concludes that both sexes share the conviction that men should lead the household and be in charge of the decisions. However, in practice women did participate in most decisions involving family and production and, in many cases, even took decisions on their own. The study confirmed that women were almost always in charge of the money (Tuijtelaars and Rodríguez 1994:79–80). The impression that many of the decisions taken in peasant families are agreed upon jointly by men and women was confirmed by an FAO study undertaken in the central *Altiplano*. In the settlement areas in eastern Bolivia, however, men not only carry out all tasks outside the home, but they also decide what work takes place inside. There is little consultation between the sexes (FAO 1992:42–45).

Several studies on male–female relations in the urban sector indicate the existence of a model attributing power to men and submission to women. Women's power is confined to the reproductive sphere. Mutual consultation is less common here than among peasant families. However, female-headed households are becoming more and more frequent, as women are forced to support their families and in doing so acquire more power.

#### *Decision-making at the community level*

Decisions at the community level are taken in communal assemblies, which are attended by men as family representatives. In some communities, women can only attend if their husbands are absent, unless the topic in question affects women directly. However, several

studies show that decisions are really taken in consultation by the couple, to the point that if women are against a decision already made, it may be revoked and rediscussed. In some trade unions, newly created sections for female members are beginning to deal with women's issues, although they often face male opposition (Harris 1980:73; Montaña 1993 a.o.).

Urban women in Bolivia tend to organize and actively participate in neighbourhood associations (*juntas vecinales*). In their daily lives, women are more closely aware of and affected by problems in their communities. However, despite their intense involvement in community-centred work, women rarely participate in the *juntas* leadership structures.

#### *Women's participation in society*

The 1993–97 government had no female ministers, and only one out of 26 national secretaries was a woman. As far as the legislative power is concerned, between 1982 and 1985 female senators represented 7.4% of the total number, decreasing to 3.7% in 1993–97. In the House of Representatives, the percentage of women rose from 3.1% in 1982 to 7.7% (1993–97). Women tend to occupy the last places on election lists. The judicial power is similarly characterized (SAG 1994a:30). Women's participation in municipal governments is also minimal (8% nationwide in 1983, the lowest rates prevailing in the Andean zone and the highest in eastern Bolivia). In 1993, for the first time in history a woman was elected mayor of La Paz, which resulted in the creation of the first Municipal Women's Office. Many political parties still nominate women in order to enhance their voting appeal without giving them any real access to power (PDLM/CDLM 1994:64–66; Gregoria Apaza 1993:13, 14).

In spite of women's active involvement, they constitute an absolute minority as far as representation in these organizations is concerned. In other people's organizations as well as at universities women's participation is also limited.<sup>27</sup> Few women occupy top positions in radio, television and the press, and most programmes and newspapers reinforce traditional feminine stereotypes. However, 'women's viewpoints' are more frequently being aired, among others through ERBOL and Radio San Gabriel (SAG 1994a:25–26).

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<sup>27</sup> The subject of gender is gaining importance, especially in the area of social sciences. Example: the courses given at the Centre for Higher University Studies (CESU) on Women, Gender and Development.



### 9.1.3 Socio-cultural position<sup>28</sup>

Bolivian culture and traditional sectors within the Catholic Church have limited the active participation of women in society. In general, the birth of a girl is greeted less enthusiastically than that of a boy because of the conviction that men are more useful in the agricultural cycle.<sup>29</sup> After baptism, the ceremony of the first haircut marks the introduction of children into the sexual division of labour. Girls start helping their mothers with housework, child-care and animal rearing. Marriage and family formation has important repercussions for the social and economic participation of both sexes in the community also.

#### *Complementarity*

According to several authors, the Andean couple is buttressed by a strong economic complementarity, a key notion in the Andean culture. The contribution of the man as well as the woman is considered vital for the survival and well-being of the family. Regarding the couple's community responsibilities, there is a diversification of tasks in which the man's role is more public and the woman's more domestic. This concept of union of the couple, of the masculine and the feminine, called *chachawarmi* in Aymara, is symbolically present at all levels in society.

The critical factor in this discussion is whether complementarity also implies equality. The values attached to the masculine and the feminine are not the same. Domestic work does not have much status and women's productive work receives little recognition. Women day labourers are paid less than men. While complementarity does regard the couple as a unit, at the same time it can conceal a relationship of inequality and even be used to avoid questioning asymmetric gender relations (Platt 1976, quoted by Rens 1993:4). Criales (1994) points out that the idea of complementarity also governs the minds of Aymaran couples in El Alto, and describes it as an exercise of power camouflaged by the ideal of complementarity. Rivera (s.d.:121) regards complementarity as an ideology by which the social fabric can be maintained without the elimination of diversity. Several authors have shown that complementarity is neither horizontal nor symmetrical, since it attributes contrasting, hierarchic symbolic values to the partners and so contributes to perpetuating asymmetrical relations in which the masculine is considered superior to the feminine (Carafa 1994:136–38;148).

<sup>28</sup> See also section 2.3.

<sup>29</sup> Some indicators show that girls tend to be more neglected by their parents, but there is no precise data indicating the connection between infant mortality and sex favouritism (Paulson 1991:79).

*Ethnic and cultural discrimination*

Several studies on migrant Aymaran women show that they struggle to maintain their identities as *chololas* (Indian woman in Western or mestizo society). The *cholola* does not identify completely with Andean peasant women (to be observed, for example, in the type of clothes—*pollera* and *mandil*—she uses), nor with city women. *Chololas* at the marketplace continually trade merchandise between the Western creole world and the Andean world. Many Bolivian women experience a double discrimination based on sex and race. For this reason, several authors have reached the conclusion that ‘equity is *more* than a matter between two people’ (Choque n.d.:1).

*Education*

Apart from absolute illiteracy (23% for the whole country in 1994), there is a great deal of functional illiteracy (35%), mainly affecting women in rural areas. In this way total illiteracy reaches 58%, more than two-thirds of these illiterates being women. On the other hand, girls’ school attendance increased between 1976 and 1992 from 58% to 72% (for boys from 69% to 76.5%), reducing the gap between the sexes.

Women’s lower school attendance is partly due to the fact that education for boys is given priority inside the family, since girls as future housewives and mothers are believed not to need much education. At present, the Educational Reform stresses that schools, besides from being multicultural and bilingual, must provide equal opportunities for men and women alike (Ministerio de Desarrollo Humano, SNAEGG/SAG 1995:19).

**9.1.4 Physical integrity<sup>30</sup>**

Although Bolivian health and nutritional indicators have improved, they are still quite low. Infant and maternal mortality rates, for example, are twice those of the Latin American region. The global fertility rate continues to be one of the highest in the continent, although between 1980 and 1994 it decreased (from 6.3 children per women to 4.8). These rates vary according to the geographic area and educational level, being highest among rural poor and indigenous families (SAG 1994a:58; World Bank 1996:12). Natural birth control methods to avoid or interrupt pregnancies have been in use for a long time. Sexual education still greatly refers to these traditional methods. A survey carried out among Aymaran women in La Paz and El Alto showed a surprisingly high level of contraceptive use (around 60%, only 18% using modern contraceptives). The supply of

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<sup>30</sup> See also section 2.2.

information and services on modern contraceptive methods are limited in scope, variety and quality. Furthermore, Bolivian women often reject the formal health system, because of the disdainful treatment they receive there, particularly from male staff. Another factor is that among the poor, especially in rural areas, having children is still used as a strategy of survival and social security in old age. The debate on sexuality and contraception is also highly influenced by moral precepts imposed by the Catholic Church and the State. Furthermore, men tend to oppose the use of modern contraceptives.

Bolivia has the highest maternal mortality rate in the Andean region (in 1994: 390 per 100,000 live births; World Bank 1996). Maternal mortality is related to the high fertility rate, poor health conditions of mothers and lack of adequate health care. Until recently there was no state policy regarding reproductive health. It is estimated that half of the maternal deaths occur during pregnancy, often as a result of complications caused by provoked abortions. Few family planning services exist, and this encourages the practice of abortion. Abortion is considered a crime, except in some cases like rape or incest or in order to save the mother's life. However, in reality it is very difficult to carry out a timely legal abortion procedure, so abortions tend to be performed illegally under inadequate, high-risk conditions. Nearly all deaths due to unsafe abortions take place at home.

### *Violence against women*

Violence against women is an important theme of discussion for the women's movement, both within the working class and among middle-class feminists. Many women do not report acts of violence, due to economic, socio-cultural or judicial factors, and because victims are often subjected to humiliating treatment. Consequently, data on violence against women is deficient, especially in the rural areas. A study of nearly 26,000 indictments in La Paz between July 1992 and June 1993 revealed that 40.7% concerned aggression against women. The national report for Beijing of the Subsecretariat of Gender Affairs (SAG) states that some 65% of the indictments made in the country's major cities were related to ill-treatment of women (SAG 1994a:48, 85-86).

Domestic violence (71% of all reported violence) consists above all of physical aggression and (to a lesser degree) rape, carried out mainly by husbands and partners (PDLM/CDLM 1994:48, 49; SAG 1994a-e). Until recently, women were not protected by law against domestic violence. In 1995, a law against domestic violence proposed by the SAG was approved by Parliament.

## 9.2 Policies and institutionalization

### 9.2.1 *The Bolivian state's policy*<sup>31</sup>

Within the public sector, the formulation and execution of different plans and projects in the area of women and development, as well as the creation of several offices for the same purpose, have taken place in Bolivia since 1971. Their objectives and perspectives, however, have varied over the years.

The first period (1971–82) was marked by various dictatorships and the struggle for democracy. State actions on behalf of women focused on mother-and-child care programmes and some promotional campaigns. In 1971, a government body in charge of issues related to women, children and the family was created. This entity had limited resources and no clear mechanisms for coordination at an interinstitutional level. Bolivia adopted the strategy of having women become organized with state support. Several charities such as CARITAS and the Peace Corps were allowed into the country. Between 1978 and 1982, governments concentrated their efforts mainly on the repression of the popular movement, which resisted the dictatorship and struggled for civil rights. Women participated in vast numbers in the popular mobilizations that took place, but their specific demands were subordinated to the movement's general struggle.

From 1982 onwards, the impact of the Women's International Decade (1975–85) began to make itself felt. Different organizations emerged. In 1983, the Parliamentary Committee on Women was created. Its purpose was the revision of the Family and Labour Codes, the issuing of laws on behalf of women and the struggle against violence against women. During the same year, a National Board was created to promote social development (Montaño 1993:2). The actions were mainly directed at increasing women's productivity and raising their income and consumption levels. In general, these were isolated actions without any significant impact, as they did not question the inequality between men and women. In practice, the Board saw women mainly as responsible for the family's well-being, and many of its actions remained related to mother and child care.

The Social Emergency Fund (FSE) implemented social and employment projects geared towards easing the effects of structural adjustment, without taking into account women's particular conditions as beneficiaries.<sup>32</sup> The satisfaction of basic needs was the main objective, both for the government and for the private organizations involved. Women's specific priorities were considered of secondary importance (PDLM/CDLM 1994:76).

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<sup>31</sup> This section is principally based on SAG 1994a and PDLM 1994.

<sup>32</sup> Section 9.4.3 deals with the effects of programme aid for Bolivian women.

After 1989, the approach changed. Gradually the W&D theme came to be integrated into the country's social policies, under pressure from international aid donors and impelled by a number of NGOs. During this phase, the focus shifted from 'spending' on women to 'investing' in women for the whole country's development. Between 1989 and 1993, three national priorities were identified: the struggle against maternal mortality, women's education, particularly in the rural area, and the recognition of the importance of women's reproductive role (Montaño 1993:2). Women's departments, programmes and commissions were created within the different ministries, with the aim of developing activities for women and integrating women into the corresponding sectors. Programmes on health, basic sanitation, literacy and nutrition were started by the Ministry of Health and the Social Investment Fund FIS.

In 1991 a Ten-Year Action Plan for Youth and Women was elaborated. In 1993, the National Organism for Minors, Women and the Family (ONAMFA) initiated the Women's Programme, as a wider component of this Action Plan. In the same year, the Subsecretariat for Gender Issues was created, whose mandate was to design policies related to women. Since then women's issues have been dealt with at a higher administrative level than ever. The Subsecretariat employed a substantial number of professional women, many of them from NGOs with W&D expertise. It has been very involved in the area of violence against women. Research has been conducted on the subject, and campaigns have been carried out in coordination with NGOs. The National Plan for the Prevention and Eradication of Violence against Women was drafted in 1994. A law against domestic violence was passed in 1995.

The SAG 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 among the female population. Likewise the Subsecretariat, with the Ministry of Labour, coordinated norms and strategies designed to eliminate gender discrimination in the work force. It has devised a programme to support women in small business. It has also promoted legal reforms and the integration of a gender approach to national and departmental planning.<sup>33</sup> SAG considered it of great importance to coordinate with NGOs (for example, by launching national campaigns against domestic violence and doing follow-up on how the Action Platform approved in Beijing is being adhered to). It was likewise interested in coordinating work with political parties and

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<sup>33</sup> In Bolivia, a gender approach is generally understood as a new way of analysing and working on the problems of the target groups of development activities, taking into account the socially differentiated roles of men and women; this is in contrast to the Women in Development approach which aims at improving the position of women. More specific definitions of the gender approach vary according to the organization involved.

other sectors of civil society to lobby for the passing of laws in Parliament (Ministerio de Desarrollo Humano, SNAEGG/SAG 1995, SNDR and SNAEGG/SAG 1995).

### **9.2.2 Women's organizations**

#### *The Women's Movement*

At the beginning of this century, women in the upper and middle classes became organized, demanding their civil and political rights. Later on other groups of women appeared whose struggle for economic independence was based on class exploitation. They set up trade unions with anarchist tendencies. The Bolivian experience contrasts with that of other countries, due to the cultural origins of the anarchist women, most of them *cholas*; among other things they rallied against the prevailing prohibition against riding on trams. Even today, the old differences between anarchist trade union women and the feminists belonging to the oligarchy still exist within the movement itself (Zabala 1995:24–31; Dibbits et al. 1989:14–18, 76–77).

In 1946, municipal suffrage was granted to Bolivian women. In 1952 the '*las Barzolas*' movement came into being: relatives of MNR affiliates who formed women's commandos responsible for political propaganda and the organization of hunger strikes. The women anarchists belonging to the trade unions were marginalized from the party structure and the COB (Dibbits et al. 1989:82–84; Zabala 1995:31–36). A long period of silence ensued; inside the leftist parties, women's issues continued being relegated to the achievement of structural changes, in a system which became more and more repressive.

In Bolivia, the second wave of Latin American feminism, initiated by the International Women's Decade (1975–85), only came to be felt in the eighties. It arose among intellectual, middle-class women within NGOs and autonomous women's groups linked either to leftist political parties or to the popular movement. It began by addressing the specific demands associated with women's living conditions. In the nineties, almost ten years after the First Latin American Feminist Encounter, three National Feminist Encounters were organized. The subject of the last one, autonomy and the exercise of power, divided the participants. The existence of two mainstreams in the movement then became obvious: independent feminists and the NGO-linked women, who advocated the need to establish relations with the state and civil society. In preparation for the IV World Conference on Women held in Beijing, several meetings took place in 1994 in which a strategic plan was developed, including legal and political demands (a quota of female participation in decision-making spheres of both political parties and state bodies, modification of laws discriminatory of women and the explicit mention of domestic violence in the Penal Code).

Since the movement is composed of women of different spheres and interests, it is difficult to establish a common identity and common goals. It has also not been possible to coordinate the work of NGOs with that of grassroots organizations. There exists 'maternalist' behaviour among some NGOs, and the grassroots tend to have a certain distrust of women's NGOs and feminists in general (Zabala 1995:225–26). Many women associated with the women's movement also belong to political parties. Another problem is the movement's concentration in the main cities, especially in La Paz.

### *Grassroots organizations*

There is a broad range of women's grassroots organizations in the country, with the miner women representing historically the most recognized part. In the fifties, the Committees of Miner Housewives arose in Siglo XX, one of the most militant mining centres in the North of Potosí. The miner women's struggle was characterized by a family-like solidarity not existing in the other employment sectors. When trade unions and popular organizations were declared outside the law during the 1970s, the miner women carried out protest demonstrations and imposed a strike in 1976, in which they set up the *ollas populares* (communal kitchens). In 1977 a hunger strike initiated by four miners' women acquired a national dimension. The women demanded a general amnesty, respect for political and trade union freedom, the reintegration of workers previously fired and the withdrawal of the armed forces from the mining centres (Zabala 1995:49–59).<sup>34</sup>

With the new economic policy of the eighties and the consequent weakening of the miners' movement, the Committees of Miner Housewives began to develop a gender awareness and to seek an autonomous organization with a national scope. At that time, mines were being shut down, leading to massive dismissals. Committees of Relocated Miner Housewives flourished in many refugee cities. At present miner women are not so politically active (Zabala 1995:63–65, 93).

Mothers' clubs and centres were created with the purpose of facilitating the efficient distribution of food donations. CARITAS was the first distributing agency (1955). Later the World Food Programme also provided food. Starting in 1992 food aid began to lose importance. As a consequence the number of mothers' clubs and centres has notably decreased. It is estimated that today there are 4,000 clubs throughout the country. Few of the groups are able to continue their work without food aid and carry out alternative activities like productive projects (van Broekhoven 1994:3–5, 35, 51; SAG 1994a:40). During the eighties, different groups of women receiving food aid had become critical of this type of assistance (Montaño 1993:79; Sandoval and Sostres 1989:118). In response to the acute

<sup>34</sup> One of the more militant leaders of the miners' wives was Domitila Chungara, who acquired world renown with her written testimony 'Si me permiten hablar' (Viezzler 1978).

economic crisis, urban and peasant women established several organizations of women workers and trade unionists, with NGO support, some of them as an alternative economic development strategy for the popular sectors. Most of these groups were characterized by their financial instability and dependence on outside institutional support.

The National Federation of Bolivian Peasant Women—Bartolina Sisa (FNMCB-BS) was created in 1980.<sup>35</sup> The Federation does not exclusively address the plight of women but rather the demands of the peasant movement as a whole. The Federation has established itself only in three departments and has not managed to consolidate itself. It is constantly in crisis due to leadership problems. There is no follow-up of activities, which causes lack of credibility among grassroots and financing agencies alike. The Federation has not been able to function without financial support from the different political parties, who recognize the importance of women as a source of votes (Tuijelaars and Rodríguez 1994:85–89).

#### *Non-governmental organizations*

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. Economic oppression was considered the main contributing factor to women's social inequality. Therefore the programmes in question sought to solve problems dealing with unsatisfactory living conditions. Women's unfavourable position was attributed to their lack of integration into the development process, expressed in low levels of education and little economic participation (Zabala 1995:150–57).

A survey carried out in 1992 revealed that of the 136 organizations working with women, 23% were located in rural areas, 31% in urban areas, and the rest in both areas. Their main fields of intervention were education (26%), health (20%), agriculture and livestock activities (15%) and legal assistance (8%) (SAG 1994a:22,23; Zabala 1995:137–39). Since 1990, some NGOs have begun to incorporate some kind of gender perspective, sometimes as a result of the pressure exerted by international cooperation agencies. Putting this gender perspective into practice has not always been easy, since this implies developing specific planning, follow-up and evaluation methods. Currently there are two groups of NGOs working with women: those having a gender approach (few in number, chiefly located in the La Paz–Cochabamba–Santa Cruz main axis) and those focusing on the material advancement of women. The NGOs located on the central axis have greater access to information and more participation in different types of events, as well as more

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<sup>35</sup> Name of the companion of Tupaj Katari; together they fought in the indigenous uprisings of the eighteenth century.



opportunities to influence political actions and to acquire financing (Ruiz 1994:170–71; Zabala 1995:157).

Several NGOs working with women have originated from promotional, mostly short-term activities undertaken by the Catholic Church. The advancement of women is understood in different ways: improving their living conditions or incorporating them into the development and modernization process. What often tends to take place, however, is that women's workloads are increased even more through strategies that do not question the sexual division of labour and inequality per se because they lack any gender perspective.

Interinstitutional coordination exists among some NGOs working with a gender perspective through the Women's Coordinating Committee of La Paz (CDLM) and the Women's Platform (PDLM). One of the CDLM's explicit objectives is carrying out coordination efforts with the government. Since 1989, it has promoted the creation of sectoral policies for the participation of women in development. The two networks played a key role in the coordination of Bolivian NGO involvement in the preparatory process for Beijing. The CDLM network participated in a gender training programme for NGOs at a national level, financed by the Netherlands (Ruiz 1994:174; CDLM 1992; Zabala 1995:193–94). During the last years, departmental networks have also been established.

Relations between the public sector and NGOs have been ambiguous and variable. Particularly in the past, they were hampered by the image of an inefficient, corrupt and politicized state. NGOs believe that much of the work they carry out should be undertaken by the public sector. In practice, there were many similarities between NGO and government approaches to women's issues. (Zabala 1995:191; Ruiz 1994:175–76).

### **9.2.3 Dutch W&D cooperation policy**

In this section attention is paid to the Women and Development policy for Dutch development cooperation and its implementation in Bolivia. References are made to the SNV and the co-financing agencies, whose policies were dealt with in the previous chapters. Dutch development cooperation has been focusing attention on the subject of Women and Development since 1975, the first International Year for Women. The central objective of Dutch W&D policies was to improve the status of women and integrate women's needs into the overall policy picture. In 1987, an Action Programme was introduced with the following objectives: improving women's access to and control over the means of production and infrastructure; reducing women's workload; improving existing legislation in order to attain equal rights for women; increasing women's active participation in decision-making on domestic, local, national and international levels; improving women's organizations

at all levels; promoting information and communication exchanges among groups of women and changing female stereotypes; improving women's levels of knowledge and raising their self-esteem; fighting physical violence and sexual abuse. Since 1985 DGIS has been disposing special funds for W&D activities.

The policy document 'A World of Difference' (1991) opts for a W&D approach based on autonomy which is defined as the right of women to control their own bodies and their own lives. Four dimensions of autonomy have been distinguished: economic, political, socio-cultural and physical autonomy. Economic autonomy refers to having equal access to and control over the means of production; political autonomy refers to autonomy with respect to political beliefs, self-determination and the formation of pressure groups; physical autonomy implies women's control over their own sexuality and fertility; socio-cultural autonomy means the right to self-respect and an independent identity (1991:247). The importance of analysing power relations is emphasized. 'A World of Difference' identifies development cooperation programmes and sectors of direct and indirect importance for women. Furthermore, it states that by 1998 50% of all Dutch financing of activities relevant for women should comply with the WID criteria of the DAC/OECD.<sup>36</sup>

In 1991, the Women and Development Spearhead Programme was established. In 1994 this became the Special Women and Development Programme. The Programme's mission was to integrate a gender perspective into all Dutch development cooperation activities already in operation, and to support projects attempting to increase women's autonomy in one or more of the four dimensions mentioned above. In mid-1992 the Local Fund for Women (LFW) was created for the purpose of financing small-scale activities identified by sectoral W&D experts at the embassies (see section 9.3).

Several specific instruments were drafted for the purpose of implementing W&D policy, such as hiring sector specialists; including gender aspects in the development test applied during appraisal; drafting a monitoring system; compiling an inventory of profiles; specifying a methodological gender diagnosis for the preparation of development projects; providing sectoral documents and gender training to personnel working with Dutch development cooperation.

The 1990–92 regional policy plan for the Andes stated that W&D still was not receiving much attention. In 1990 a DGIS orientation mission recommended the deployment of

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<sup>36</sup> These criteria are the following: 1) women must be consulted when the project is being designed; 2) women from the target group must play an active role during the implementation of the project; 3) obstacles to the participation of women must be identified and provisions must be made to remove them; 4) WID expertise must be built into the project plan and budget, and must be deployed during the project cycle in order to guarantee full participation of women.

***The Women and Development issue in other donors' policies***

*For most representatives of other bilateral donors in Bolivia, W&D was not a significant aspect of their cooperation policy. Some exceptions were the Canadian International Development Agency (CIDA) and the Swiss Development Cooperation (COSUDE-NoGub). Their W&D policies coincided with those of the Netherlands. Both have engaged local gender experts. CIDA recently set up a Fund for Gender Equity Bolivia (US\$ 140,000 in 1995, with a maximum of US\$ 40,000 for each activity). The Fund is managed by a tripartite committee: the Canadian Embassy in Lima, the Bolivian government and a representative of Bolivian civil society.*

*The CIDA expert remarked that the concept of autonomy is useful at the level of analysis but of little interest to peasant women, who are more concerned about their practical needs. According to her, the LFWB has contributed to many changes taking place in Bolivia. A critical factor is the Fund's dependence on a single person or entity (the Embassy). It was therefore recommended that a committee including local participation appraise and approve the proposals made to the LFWB. This would assure greater neutrality and a greater sense of ownership. The Fund should not lose its agile character, however.*

*With respect to the other donor agencies, representatives of the IDB, World Bank, IFAD and the UNDCP did mention not having an institutional W&D policy for Bolivia. The representative of the UNDP reported that his institution complies with the policy set forth by the Organization of the United Nations for the Emancipation of Women, Unifem. The gender policy in Bolivia of the United Nations Children's Fund, Unicef, coincided with that of the Netherlands in many respects, and its work was based on the concept of empowerment, mainly in the field of maternal mortality (physical autonomy).*

a W&D sector specialist in Bolivia, which took place at the end of 1991. The W&D specialist began by taking a project inventory, following DAC/WID criteria. Her strategy was, first, to integrate W&D (mainstreaming) into rural development projects and programmes, the sector that receives the greatest amount of aid from the Netherlands. Second, special attention was placed on education, since the continued marginalization of women in Bolivia is attributed to inadequate education. Thirdly, the expert actively promoted local W&D expertise and the LFW. According to the 1992–95 Regional Plan, all sectors selected for assistance in Bolivia were relevant to women. The rural development, health and education sectors were to receive special attention.

***The co-financing agencies and the SNV***

During the eighties, the W&D theme also gained importance among the four Dutch co-financing agencies (CFAs; see chapter 7). Research revealed a lack of information about the effects that development projects had on women, including women-oriented projects. This led to measures such as the setting of financial priorities for women's projects and organizations; the development of action programmes and of instruments and indicators

for the registration, approval, monitoring and evaluation of projects; advisory and training services for personnel of the co-financing agencies; the integration of the theme into the dialogue being carried out with the various counterparts, etc. Around the year 1990, the concepts of gender and/or autonomy replaced the term W&D within CFA policies.

In Bolivia, the W&D policy of the co-financing agencies was carried out in cooperation with the different counterparts specifically active in this area. The policy also attempted to introduce women and development in the general projects. Emphasis was placed on the sectors of education/literacy, income generation and health. In view of the lack of W&D expertise available, the GOM has been supporting a gender-training project since 1995, in cooperation with several NGOs and the sector specialist at the Embassy in La Paz.

SNV's policy with respect to W&D (see chapter 8) was generally in line with the DGIS policy guidelines. In 1983, SNV's central management decided to pay more attention to the position of women and in 1986, the first W&D policy document appeared, defining the criteria for the improvement of women's position as: an improvement in women's living conditions and social position and their economic independence. In a draft W&D policy document of 1991, women's autonomy through empowerment became the main objective. This document confirmed that the lack of specific strategies and expertise were a problem, as were the deficient relevant monitoring and information systems. The W&D policy in effect today, which dates from 1993, has policies formulated in terms of gender.

Until 1988, W&D activities in Bolivia were mainly carried out with both NGO and grassroots women's organizations and primarily focused on improving the social situation of women. Few development associates were involved. Since no consensus had been reached as to what constituted the improvement or worsening of women's status, it was difficult to develop specific instruments. In 1994, a gender expert briefly joined the staff of the SNV. A monitoring system, a strategy and instruments for the implementation of W&D policies at the SNV were lacking.

### **9.3 The Local Fund for Women in Bolivia**

#### **9.3.1 Introduction**

The Local Fund for Women (LFW) was created in mid-1992 for the purpose of financing small-scale activities (up to a maximum of Dfl. 50,000) identified by W&D sector specialists. The *modus operandi* of the Fund is described in the document 'Procedure and Guidelines for the Local Fund for Women' (referred to below as the 'Procedure'). The

LFW has spent a total of Dfl. 12,433,000 in 33 countries between its creation and the end of 1994.

The general aim of the Fund is to improve the conditions of women in developing countries through strengthening their autonomy in the economic, socio-cultural, political and physical domains.<sup>37</sup> This is accomplished by means of financing activities geared to the following objectives: 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.

In the 'Procedure' five different kinds of activities are specified for support: formulation and elaboration of policies; preparation of experts and training/seminars; preliminary studies on the role and position of women; exchange programmes and South-South communication at a regional or continental level; and innovative small-scale projects geared to the promotion of women's autonomy (see also table 9.2).

### ***9.3.2 General description of financed activities***

The Local Fund for Women in Bolivia (LFWB) has been in operation since 1992, and by the end of 1994 it had spent approximately Dfl. 1,435,000 on 105 activities.<sup>38</sup> Regarding the regional distribution of the activities, 9.5% were executed at an international level and 38% had a national scope. Most activities took place in areas where Dutch cooperation is concentrated: Cochabamba, Chuquisaca, Potosí and Tarija (23.8%); in La Paz (18.1%) and in Santa Cruz (8.6%). One-third of the activities were executed outside the capital.<sup>39</sup> NGOs were the main executing agencies (80%). The Bolivian public sector was the executing agency in twelve cases. Other executing agencies included some educational establishments, bilateral and multilateral donor organizations and three Bolivian consultancy agencies.

Given that most executing agencies were NGOs, a more specific classification of this category was made (see table 9.1). Although it may appear that the LFWB has not financed many grassroots organization activities directly (14%), these represent a large

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<sup>37</sup> As defined in the 'Procedure', the Fund is mainly geared to women's strategic interests and needs (cf. Moser 1993) and not so much to their practical interests and needs, which are to be met through other components of Dutch development cooperation.

<sup>38</sup> In 1995, 51 activities were financed for a total value of Dfl. 866,264. These activities are not included in the present evaluation.

<sup>39</sup> In reality this percentage is even higher if it is noted that 16 out of the 40 activities classified as national were (partly) executed in several departments. There were no activities in three departments: Oruro, Beni and Pando.

portion of the target groups of the counterpart organizations or the supported projects. In general, 43% of the executing agencies oriented their promotional work directly towards grassroots women. Over one-third of the activities financed by the Fund directly benefited the grassroots.

Examining the sector in which activities were undertaken with LFWB support, the 'social infrastructure sector' stood out with 46.7% (codes according to the former Spearhead Programmes, Coordination and Technical Advice Department of DGIS). However, this category includes many different activities. Other prominent sectors were education—specially informal education—and health.

Many of the activities financed (35.3%) consisted of seminars, congresses and other types of encounters, often meant to pave the way for more significant events (e.g. the preparations for the IV UN World Conference on Women held in Beijing). These activities were usually low-cost and of short duration. Research and/or publications were also widely represented (19%). Educational and training activities (15.2%) and public campaigns (9.5%) have also been important, as well as institutional support (15.2%), often geared towards reinforcing a gender approach in a given institution. According to the character of the LFW, the proposed period of execution of the activities was quite limited. Only 17% lasted longer than one year.

**Table 9.1 LFWB activities and expenditure per target group (in Dfl. thousands)**

Target group	Activities		Total expenditure		Average expenditure
	no.	%	Dfl.	%	Dfl.
Grassroots men and women (organizations)	2	1.9	49.4	3.5	24.7
Grassroots women (organizations)	13	12.4	131.7	9.2	10.1
Women's organizations/general organizations with specific cultural/ethnic nature	10	9.5	141.0	9.8	14.1
NGO's/persons working especially on the W&D theme (W&D is the most important theme)	13	12.4	174.8	12.2	13.4
Mixed NGOs (NGOs uninvolved or partially involved in the W&D theme)	4	3.8	79.3	5.5	19.8
Women within a specific sector of work	11	10.5	228.8	15.9	20.8
Society/public opinion	14	13.4	170.5	11.9	12.2
The state	8	7.6	180.7	12.6	22.6
Miscellaneous	18	17.1	175.1	12.2	9.7
The executing agency itself	12	11.4	103.5	7.2	8.6
<b>Total</b>	<b>105</b>	<b>100.0</b>	<b>1,434.8</b>	<b>100.0</b>	<b>13.7</b>

Although 45% of the funds were spent on sixteen activities of more than Dfl. 30,000, the great majority disbursed between Dfl. 1,000 and 20,000; the average was Dfl. 13,664. The most expensive activities were those executed by the public sector and the multilateral donor agencies. Activities funding grassroots organizations were least costly.

Regarding the kinds of activities indicated in the 'Procedure' (see table 9.2), 41% of the activities involved expertise and training, with a view towards the promotion and institutionalization of expertise. The remarkably low number of activities under the category 'innovative projects' leads to questioning the classification itself, since the 'Procedure' does not define what an innovative project is. Furthermore, the category is non-exclusive.

Regarding these categories in relation to the executing entity, the Bolivian public sector (as expected) has executed significantly more activities in the formulation and elaboration of W&D policies than other executors. Mixed NGOs have carried out relatively more studies on the role of women and drafted more intervention proposals. Among the NGOs, those working primarily with and for women have paid closer attention to training and the formation of expertise.

**Table 9.2 LF WB activities and expenditure by activity (in Dfl. thousands)**

Kind of activity	Activities		Expenditure		Average expenditure
	no.	%	Dfl.	%	Dfl.
Preparation and elaboration of policies	22	20.9	384.6	26.8	17.9
Formation of expertise and training/seminars	43	41.0	540.6	37.7	12.6
Preliminary studies on the role and position of women	17	16.2	312.4	21.8	18.4
South-South exchange programmes within the region or continent	20	19.0	151.2	10.5	7.6
Innovative small-scale projects oriented towards the promotion of women's autonomy	3	2.9	45.8	3.2	15.3
Total	105	100.0	1,434.6	100.0	13.7

The central axis of the Dutch W&D policy is to strengthen women's economic, socio-cultural, political and physical autonomy. Thirty-nine percent of the activities seemed targeted to several aspects of autonomy (combination) at the same time (see table 9.3). Next came political autonomy, here referring to organizational capacity, self-determination and the forming of women's power and pressure groups.

Physical and political autonomy have been the main topics of NGO (working W&D) and

**Table 9.3 LFWB activities and expenditure by autonomy dimension (in Dfl. thousands)**

Dimension of autonomy	Activities		Total expenditure		Average expenditure
	no.	%	Dfl.	%	Dfl.
Physical	14	13.3	193.5	13.5	13.8
Economic	9	8.6	192.4	13.4	21.4
Political	28	26.7	287.8	20.0	10.3
Socio-cultural	9	8.6	127.3	8.9	14.1
Combination of various dimensions	41	39.0	575.5	40.1	14.0
Not applicable	4	3.8	58.2	4.1	14.5
<b>Total</b>	<b>105</b>	<b>100.0</b>	<b>1,434.7</b>	<b>100.0</b>	<b>13.7</b>

state activities. The main target group of NGO activities was society at large (physical autonomy) and organizations of grassroots women (political autonomy).

In conclusion, the typical activity funded by the LFWB was one having a national scope, a short duration (some months) and limited costs, usually executed by an NGO and geared towards a variety of target groups. The most frequent activity has been holding meetings and/or seminars for training and building expertise in the W&D area. Many activities were also directed towards strengthening autonomy.

### 9.3.3 Projects evaluated

For the evaluation a purposive sample of eighteen activities involving a total disbursement of Dfl. 335,579 (23.4%) was selected.<sup>40</sup> Table 9.4 presents an overview of the evaluated projects.

#### *Seminars/congresses*

Two of the activities in the sample were seminars, both organized by CDLM in La Paz. The Seminar on Social Policies of ONAMFA was held to draft and make known the National Women's Programme. It was attended by ministers from other Latin American countries, representatives of public agencies at national and local level, network coordinators, NGOs and trade unions, civic and grassroots organizations. The Reflection Days were organized

<sup>40</sup> The present evaluation began with a file study carried out in the Netherlands. Using the data base compiled for the 105 activities financed until the end of 1994, a sample was selected of activities in Potosí, Cochabamba and La Paz and at the national level. The field methodology used was mainly interviewing. In projects focused directly on women beneficiaries at grassroots level, these women themselves were consulted regarding the impact of the activities undertaken.



**Table 9.4 Overview of LFWB activities included in the sample**

Description activity	Executing organization	Type of exec. org.	Region	Sector	Year	Amount in Dfl.
<b>Seminars</b>						
International Seminar on Social Policies	ONAMFA	State	national	social infrastr.	1993	40,399
Reflection Days on gender in legislative areas	CDLM	NGO Network	national	legal	1994	3,724
Congress of Union of Peasant Women in Ayapaya	CSUMCA-BS	grassroots organization	Cochabamba	social infrastr.	1993	5,640
<b>Research/documentation</b>						
Investigation on relation between kinship networks and economic success	THOA	NGO	El Alto	social infrastr.	1993	43,947
Socio-economic diagnosis of urban women in Potosí	PRODIS-Yanapakuna	NGO	Potosí	social infrastr.	1994	11,251
Special volume of Ruralter about rural development from a gender perspective	CICDA/Ruralter	NGO	national	agricult./communic./commerce	1993	19,000
Publication of Proposal for a Women's Commission in the El Alto Municipality	G. Apaza/Municipality/Fed. Mujeres de Base a.o.	NGOs/grassroots/local government	El Alto	multi-sectoral	1992	2,345
Specialized library on gender	UMSS	University	Cochabamba	culture	1993	2,850
<b>Institutional support</b>						
Incorporation of gender focus in AIPE-PROCOP	G. Apaza/AIPE	(Network of) NGOs	national infrastr.	social	1992	8,197
Strengthening national organization of peasant women	FNMCB-BS	grassroots organization	national	social infrastr.	1993	1,619
Institutionalization of a gender focus in the agrarian public sector	SNDR/IICA	State/Multilateral organization	national	agriculture	1994	49,000
<b>Training/education</b>						
Gender training NGO staff	CDLM	Network of NGOs	national	social infrastr.	1994	12,637
Training of peasant women	IER	NGO	Cochabamba	education	1993	15,657
<b>Campaigns</b>						
Campaign to prevent domestic violence	CETM	NGO	Cochabamba	communication	1993	21,139
Campaign on breast-feeding	Liga de Leche Materna	NGO	La Paz	health	1993	6,889
<b>Others</b>						
Creation of a regional women's federation in Northern Potosí	FRMNP	grassroots organization	Potosí	social infrastr.	1993	19,565
Preparation of national report for Beijing	SAG	State	national	social infrastr.	1993	38,400
Preparation of NGOs' national report for Beijing	CDLM/PDLM	Networks of NGOs	national	social infrastr.	1994	33,320

to introduce the gender concept in legislative areas. They contributed to the debate on legal and gender reforms among state bodies (the SAG and the Women's Commission of the House of Parliament) and public servants (judges, attorney generals and forensic medical experts) as well as some non-governmental organizations.

The LFWB also financed the first congress of the Central Union of Peasant Women of Ayopaya—Bartolina Sisa (CSUMCA-BS) in Cochabamba. The resolutions approved reflected a combination of general and specific demands made by the peasant women (participation in trade unions, for example. Other broader issues were also discussed, such as training and income-generating activities. Some projects were drafted that are currently being carried out by the trade unions affiliated with the Union.

#### *Research/documentation*

The Workshop on Andean Oral History (THOA) carried out research on the relation between women's kinship ties, economic performance and reproductive decisions. Female researchers worked with Aymara women migrants from El Alto to reconstruct their life histories. The resulting 'soap operas' in Aymara were broadcast on national and local radio and were well received. THOA disseminated the results within the target group.

The Programme for Development and Social Research PRODIS-Yanapakuna carried out socio-economic action research with students on the position of women in the mining neighbourhoods of the city of Potosí with the aim of reinforcing women's organizations. The International Centre for Agricultural Development Cooperation (CICDA) published an issue of *Ruralter Review* on the theme of women and rural development. The publication carried articles from different countries and supported the incorporation of a gender dimension in institutions involved in rural development. A new means of distributing the magazine throughout Latin America was developed by the Interamerican Institute for Cooperation in Agriculture (IICA).

Another activity financed was the creation of a library at the San Simón University (UMSS) in Cochabamba specializing in gender. Through this activity, 128 titles have been acquired and a bibliography was compiled, thus facilitating access to specialized literature.

#### *Institutional support*

The LFWB co-financed a consultancy with Gregoria Apaza for the Association of Education and Extension Institutes (AIPE) aimed at incorporating the gender approach in its institutional work. Another activity was an encounter with the Bartolina Sisa Federation

to reorient and strengthen the organization. This project failed, mainly due to the grass-roots organization's internal weaknesses. The LFWB further supported a consultancy with IICA for the National Secretariat for Rural Development aimed at incorporating the gender approach in the agricultural public sector.

*In September 1992, a woman in Uncia, a mining region in Northern Potosí, was raped, cruelly murdered and then abandoned naked on the streets of the town. Some weeks later, when the authorities had still not taken any action, several local women activists, together with a lay nun from the Educative Radio Pío XII, organized a protest march with 3,000 women. The FRMNP was thus founded, with the objective of defending the rights of women and training them in this respect.*

*Achievements:*

- Awareness-raising regarding the problem of violence against women*
- Closure of 100 retail sale points of alcohol, the main cause of violence*
- Room for discussion and respect for women among the district authorities and on the radio*
- Education of women about their human rights*
- Specific measures against violence against women*
- Greater self-esteem and self-validation*
- Greater degree of organization*

*Training/education*

A training programme on gender theory and methodology for the directorate and regional representatives of the Gender and Development Training Project involved 27 participants. A second training activity was the support given to the Institute for Rural Education (IER). This NGO, linked to the Catholic Church, trains peasant women in Cochabamba in reading, writing, tailoring, embroidery and vegetable gardening, in order to replicate this knowledge within their own communities. The LFWB financed training of fifteen young women.

*Public-oriented campaigns*

Funding was provided for a campaign by the Women's Centre for Studies and Work (CETM) in Cochabamba for making television advertisements geared to raising public awareness of domestic violence. The advertisements provoked controversy and have motivated discussion about the issue. The other campaign involved the opening by the Breast-feeding League of a centre for lactating mothers and a radio call-in line.

*Support to the Women's Regional Federation of Northern Potosí (FRMNP)*

The Federation is an umbrella organization for 22 grassroots organizations, active in four towns in the province of Bustillos. Founded in 1992 in the aftermath of a particularly brutal incident against a woman in Uncia, a mining region in Northern Potosí, FRMNP's main activity is supporting legal assistance (female lawyer) for women victims of abuse and for paternity lawsuits. Home visits are carried out to discuss problems with the male partner, a form of social control which has shown results. It is a participatory project, a direct product of the mobilization of grassroots women, and it tackles a serious problem related to physical autonomy through training and the development of expertise.

*Preparations for the IV UN World Conference on Women in Beijing*

The LFWB supported both the state and civil society (i.e. NGOs and their networks) in preparing reports for the IV UN World Conference on Women held in Beijing in September 1995. The two reports were prepared by participatory approach and served as an input for the national reports. A single integrated Action Plan was issued, and a popular version of the NGO report was also published.

**9.3.4 Relevance**

In this section the relevance of the Fund is assessed with respect to the needs and priorities of Bolivian women and their organizations and policies. The relevance regarding Dutch development cooperation policies is also analysed. Attention is also given to LFWB's link with the initiatives of other donors and with other components of Dutch development cooperation with Bolivia.

*Needs and priorities of Bolivian women and their organizations*

The NGOs interviewed identified as priorities and needs of Bolivian women: political participation, women's absence in the decision-making process and the spheres of power, discrimination, racism, lack of recognition of women's work, absence of attention to women's strategic interests and the lack of integration of women's specific interests in the development process. They recognized the need to improve the living conditions of women as well as the need to go beyond women's basic and practical needs. State agencies such as the Subsecretariat linked the development priorities of women to similar issues. This position was shared by the organizations involved in the women's movement. There was consensus regarding the need to work at a strategic level.

Grassroots organizations stressed the improvement of women's basic living conditions. They also stressed problems such as violence against women, sexual abuse, the lack of appreciation and marginalization of women, the lack of women's self-esteem and knowledge of their rights. Women's organized participation was a priority shared by all these actors, since it was the only way that the different demands would eventually be satisfied. Violence was considered a crucial problem for women by all agencies.

Many of the institutions interviewed (state and NGOs) said they were striving to introduce a gender perspective. Many NGOs worked in training and education activities geared to governmental organizations, other NGOs and grassroots women. The elaboration of social and/or economic policies and legal reforms was important for all actors. Some of the NGOs interviewed had undertaken studies on specific women's issues. A relatively new kind of endeavour was the dissemination of information and the provision of access to knowledge about women's rights and to legal services for low-income women (e.g. FRMNP, Juana Azurduy in Sucre, CIDEM and the Women's Juridical Office in Cochabamba). Other activities important to grassroots women were providing technical assistance and credit.

Most organizations underlined the importance of developing W&D policies and the strengthening of expertise through training. In this process, the support given to the meetings held in preparation of the Beijing Conference and to the different feminist encounters was seen as highly valuable.

The Embassy also stressed the importance of training, expertise and institutionalization. The LFWB also funded the National Women's Programme. It has been concluded that the Embassy agreed with the necessity to prioritize women's needs at a strategic level, and that the LFWB was relevant, considering the diagnosis and institutional policies of the majority of the Bolivian organizations interviewed. Concerning the needs of grassroots women's organizations, the Fund has chiefly been relevant in meeting their strategic needs.

#### *The Fund as an instrument of Dutch W&D policy*

As far as the dimensions of autonomy were concerned, the concept of socio-cultural autonomy was the one least dealt with. For some, the concept appeared to be related to native, indigenous populations. For others, it led to discussing the relationship between men and women within the context of the Andean culture. Bolivian women are only recently beginning to address the theme of subordination and to question equality between men and women within the concept of complementarity.

Political autonomy has been addressed through activities geared to reinforcing the organization and participation of women. Regarding economic autonomy, it was observed that almost no productive projects had been financed, which mainly affected proposals of peasant women. The Embassy has given much weight to political autonomy. It has also gradually come to recognize the importance of physical autonomy for women.

The Fund has supported activities connected with the rest of the Dutch programme and addressed relevant sectors indicated in the annual and policy plans. Twenty-one of the 105 activities (20%) had some link with other projects financed by the Netherlands. Nine cases involved additional activities inscribed within larger projects. Three activities concerned preparatory or bridging financing. Three activities undertaken with the Bolivian government were geared towards reinforcing the gender approach in rural development projects. Another three activities had to do with a gender training programme for the NGO counterparts of the CFAs and the SNV. Yet another three projects addressed the process of decentralization. It can be concluded that the LFWB correlated well with the rest of the Dutch development cooperation with Bolivia.

In conclusion, the relevance of the Local Fund for Women has been high in Bolivia. Important needs of women are to be found at a strategic level. The emphasis on institutionalization and gender expertise and training has been relevant in view of these problems. At the same time, the LFWB has kept very much in line with the Bolivian Women and Development policies. By giving priority to the dimensions of physical and political autonomy, an adequate response to the most frequently diagnosed needs of Bolivian women has been given. The LFWB was clearly in tune with the rest of the Dutch development cooperation with Bolivia. The LFWB plays a leading role in the W&D area in comparison with the cooperation programmes of other donor countries in Bolivia.

### **9.3.5 Effectiveness**

In the first part of this section the effectiveness of the individual activities will be assessed per category. The extent to which the sample activities have had any effect both in terms of the Fund's objectives and of women's autonomy will be analysed in the second part.

#### *Effects of the activities evaluated*

As far as the seminars and congresses are concerned, the Seminar on Social Policies of ONAMFA served as a means to exchange experiences of other countries in the formulation of social policies for women. The SAG stated that the seminar served to validate the National Women's Programme. The Reflection Days were less successful, since there was

little response from the members of Parliament and the percentage of male participants was minimal. To measure the extent to which the contents of the two seminars have had any effect on the work of the participants is beyond the scope of this study. The effectiveness of the congress of the Union of Peasant Women of Ayopaya was limited to making visible the needs of peasant women and elaborating some income-generating projects.

As for research and documentation activities, all of them attained their immediate goals. Furthermore, the study of PRODIS-Yanapakuna regarding the position of women in Potosí has meant support in strengthening their organization, exchanging experiences, interrelating with women and their organizations in other neighbourhoods, and programming economic projects. For the NGO itself and for the university, the activity has been effective in terms of a methodological reinforcement in their institutional work (action research and a gender approach). The publication of the proposal for the creation of the Women's Commission in the El Alto Municipality was of a political nature and was understood to have further implications.

Regarding institutional support activities, the LFWB funding of a consultancy with Gregoria Apaza for AIPE was considered most effective since many affiliated institutions had already introduced different aspects addressed in the consultancy report. The encounter with the Bartolina Sisa Federation was regarded as ineffective due to the low educational level of its leaders, the frequent changes in leadership and the constant politicization of the organization, impeding the development of a capable and lasting leadership. Finally, the consultancy with IICA for the Secretariat for Rural Development was effective, since the theme formed an integral part of rural development public planning.

With respect to training and educational activities, the theoretical part of the Gender and Development Training Project did not meet expectations, but the methodological part was effective in that it contributed to the elaboration of instruments and indicators for dealing with aspects of gender in diagnostic studies. The activity of the IER is regarded as a failure in terms of its effectiveness, since the expected multiplier effect has not yet taken place. The Embassy attributed its approval to the lack of other proposals and of experiences at the start of the LFWB.

The campaign for which CETM was funded coincided with the political debate on the law against domestic violence. Thus CETM's activity was integrated into a national policy and mobilization process, which greatly enhanced its effectiveness. The same applied to the campaign that allowed the Breast-feeding League to broaden its knowledge among grassroots women.

As for the effectiveness of the other projects, the support given to the Women's Regional Federation of Northern Potosí (FRMNP) has had immediate effects and impact on the community, although the level of awareness is difficult to assess. It has also managed to connect with national policy and has obtained governmental support (SAG) for its continuation.

The contribution to the strengthening of the women's movement in Bolivia was regarded by the women involved as an important aspect of preparations for Beijing. This activity facilitated cooperation among groups of women from different backgrounds, classes and cultures with different political, party and institutional connections. Furthermore, it was an innovative project. The Netherlands was a pioneer in supporting this process, both at governmental and non-governmental levels. At the same time it was a clear example of a project that introduced women's autonomy in different areas and elaborated new policies.

To summarize, of the eighteen activities studied, it may be concluded that the majority produced good direct results with respect to the objectives posed. The support of LFWB has meant, above all, a contribution to the preparation, elaboration and/or formulation of women's policies, to the integration of a gender perspective within institutional policies and working methodologies, and to interinstitutional coordination, information and publicity regarding specific themes. In the case of gender consciousness-raising and training activities, it is difficult to measure the effect of this type of activities. It is clear that the Fund has been effective at a strategic level, creating conditions for change in distinct areas.

More than half of the activities included in the sample have had direct or indirect effects on grassroots women's organizations, satisfying strategic more than practical needs, especially with respect to training, education and the strengthening of women's organizations.

#### *Effectiveness in terms of the Fund's objectives and women's autonomy*

As table 9.5 illustrates, most of the activities included in the sample dealt with one or more of the Fund's objectives. There was an emphasis on making women's interests visible (c). A certain emphasis could also be observed on the development and operationalization of policies in the area of W&D (a) and the support of women's organizational capacity and empowerment (d).

Most activities have had immediate positive results and relate clearly to the objectives of the LFW. It is more complicated to indicate longer-term effects and any multiplier effect of the activities studied. However, several activities were part of a broader process, which increased the likelihood of their continuation or of new actions with a wider impact.



Though 27% of the LFWB activities dealt with political autonomy, this does not imply that a given activity also has contributed substantially to the autonomy of women in daily life. Most of the sample activities have had no direct impact on women’s decision-making capacity or their right to self-determination because they were not geared to specific target groups. They were rather steps in medium or long-term processes, such as the introduction of a gender perspective, training, support to women’s organizations and the raising of awareness regarding violence against women. Of the eighteen activities, fourteen involved the preparation of policies or training and the building of expertise, including different aspects of autonomy. It is evident, therefore, that the majority contributed only indirectly to women’s autonomy, in the sense of creating conditions for achieving greater levels of autonomy.

**Table 9.5 Relation of the evaluated projects to the five objectives of the LFW**

Executing org. Objective	State	NGOs	Grassroots organizations
a To elaborate and operationalize W&D policies	– Seminar ONAMFA – Beijing SAG – Consultancy SNDR	– Reflection Days CDLM – Beijing NGOs, – Incorporation of gender focus in AIPE, G. Apaza – Campaign CETM – Women’s Commission El Alto Municipality, G. Apaza	– Women’s Commission El Alto Municipality
b To promote and institutionalize W&D expertise	– Consultancy SNDR – Specialized library on Gender, UMSS	– Incorporation of gender focus in AIPE, G. Apaza – Publication Ruralter, CICDA – Campaign Liga de Leche Materna – Gender training NGO staff, CDLM	
c To make visible the interests of women	– Seminar ONAMFA – Beijing SAG	– Reflection Days, CDLM – Beijing NGOs – Campaign CETM – Women’s Commission El Alto Municipality, G. Apaza – Publication, CICDA – Investigation/soap operas, THOA – Diagnosis PRODIS-Yanapakuna	– Women’s Commission El Alto Municipality – Congress CSUMCA-BS – Creation FRMNP
d To support women’s organization and empowerment	– Seminar ONAMFA – Beijing SAG	– Reflection Days CDLM – Beijing NGOs – Diagnosis PRODIS-Yanapakuna	– Congress CSUMCA-BS – Creation FRMNP – Seminar FNMCB-BS
e To initiate innovative and experimental W&D activities	– Beijing SAG	– Beijing NGOs – Investigation/soap operas, THOA – Diagnosis PRODIS-Yanapakuna	– Creation FRMNP

Six activities in the sample were carried out with grassroots women's organizations directly. Four of them were co-executed by grassroots organizations. The efforts carried out through the LFWB to strengthen grassroots organizations strategically were highly valued. Considering the contribution of the sample activities to the Fund's objectives, as well as to the autonomy of women, it may be concluded that at a strategic level the Fund has contributed substantially to the execution of Dutch policy in the field of W&D.

### **9.3.6 Efficiency**

Here a distinction is made between efficiency at the programme level, in terms of the management of the Fund by the Embassy, and at the level of the sample activities, as managed by the executing organizations. The focus here is on efficiency at the programme level, since the LFWB was one of the first programmes to be delegated to the Embassy and was not fully evaluated.<sup>41</sup> In general terms, the implementation of a small delegated fund could be efficiently managed. The Embassy followed the 'Procedure' of the LFW and handled the paperwork for applications and financing in an efficient and flexible way. Proposals arose from broad and varied circles, although relatively few proposals emerged from grassroots women themselves, are oriented more towards strategic levels of intervention.

The LFWB's appraisal memorandums were very brief, which facilitated their speedy completion but provided little additional information. Once the request was approved, the Embassy usually disbursed 100% of the financing (although the 'Procedure' refers to an advance of 80% and another 20% after the final report is accepted). Thus the opportunity to make stricter demands on the executing organization was being forfeited. The maximum amount of Dfl. 50,000 per activity has never hindered the execution of any activity. Monitoring was minimum due to time constraints, and usually not considered necessary.

Almost all institutions were satisfactory in the management of resources and the carrying out of activities. Projects, including all those carried out by grassroots organizations, often needed more time than originally foreseen for their execution. Delayed projects received a reminder. In the sample only one project (that of a grassroots organization) had administered the funds inadequately. The LFWB might earmark some funds for guiding organizations (especially in the case of grassroots organizations) for project preparation, formulation, monitoring and reporting. Funds were generally employed according to the formerly-approved budgets. The reports sent to the Embassy contained

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<sup>41</sup> In 1993 the LFW was evaluated in Bolivia, as well as in other countries, but this evaluation dealt with procedural aspects and did not address the Fund's contents or effects.

sufficient information and cost justification, but differed remarkably in terms of depth and quality.

It was concluded that the LFWB has obtained striking results at relatively low cost, especially with respect to the Fund's objectives. The Fund also met an obvious need on the Bolivian side. The positive receiving structure of Bolivia has contributed greatly to the success of the Fund. The proper management of the Fund was facilitated by the delegation of decision-making.

### **9.3.7 Sustainability**

It was not possible to adequately evaluate the sustainability of the Fund's results presented here. Instead, the activities were examined for their possible continuation. In more than half the cases in the sample, measures were taken during or after the implementation of the activity to ensure the continuity of its results. In activities forming part of a broader and lengthier process, these measures had already been incorporated into the plan.

In preparing NGOs for Beijing, new funds were obtained through the LFWB; one-third of the activities are now being continued with the organization's own funds. The FRMNP managed to obtain support from the Subsecretariat, thus becoming involved in the new state policy on violence. The Breast-feeding League received support from Unicef. Some CSUMCA-BS projects are supported by the Foundation for Self-management and the Environment (FUPAGEMA), and the Secretariat for Rural Development obtained support from the World Bank and CIDA. Thus all these activities have become part of broader processes. The support provided by the LFWB has meant institutional strengthening and capacity building for several grassroots organizations and NGOs, such as PRODIS-Yanapakuna.

The influence of the LFWB on Bolivian policy-making was also looked into. At the state level, the ONAMFA seminar contributed to formulating the National Women's Programme, while the consultancy for the National Secretariat for Rural Development contributed to the drafting of a W&D policy for the public agricultural sector. Regarding the preparatory work for Beijing, policy proposals arose from both NGOs and the SAG, among them the National Plan for the Prevention and Eradication of Violence against Women. The activity carried out by AIPE contributed to the drafting of W&D policies for the network and its institutional affiliates. The activity of the Ayopaya women's union contributed to the elaboration of policies for the organization itself, while the FRMNP contributed at departmental level to a policy to fight violence against women, which is now being drafted on a national scale.

Strengthening organizational capacity is an important aspect of sustainability, and it was concluded that the activities investigated have shown good results in this area.

## **9.4 Women and Development in other Dutch development cooperation efforts**

### **9.4.1 Introduction**

In this section development cooperation activities other than those of the LFW are briefly discussed. First, some remarks are made on general W&D efforts and instruments of DGIS, followed by a synopsis of the W&D issue in project and programme aid as discussed in earlier chapters. For details one is referred to the respective chapters.

Since 1992, DGIS's worldwide Women and Development funds have financed seventeen activities connected with Bolivia. These were mainly activities with an international dimension such as CAREFAM's Safe Motherhood Initiative and ILO's gender-training scheme. In Bolivia itself, studies have been financed on Women and Development, Poverty and Environment as well as a seminar on Gender and Rural Development organized by MACA. These activities are not included in the present evaluation.

The DGIS Action Programme on Women and Development of 1987 was evaluated in 1991, Bolivia being one of the countries under study.<sup>42</sup> A general conclusion of the evaluation was the lack of a direct relation between the Programme's objective and the way in which many of the measures and instruments were designed to contribute to the integration of W&D into Dutch cooperation as a whole and, in the long-term, to improve the status of women. However, it was concluded that the Action Programme had had political significance, serving to heighten attention for W&D within the framework of cooperation.

In the evaluation, the role played by the Action Programme was not very substantial as far as Bolivia was concerned. The W&D specialist at the Ministry in the Netherlands did make an effort to integrate the theme into the policy plans for the Andean Region and, to a lesser degree, into project appraisals. The evaluation confirmed that DGIS was taking a more critical view of the W&D issue than it had earlier at the level of project progress reports and terms of reference for missions. The recruitment of people with W&D expertise (such as a gender expert at the Embassy) also proved to be an effective tool.

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<sup>42</sup> This section is mainly based on Brouwers and Lingen 1991 and Groverman 1991.

The DGIS Women and Development Programme has designed a system to monitor the application of the DAC/WID criteria (see note 11) in appraisal memoranda (BEMO). In 1994, it was believed that Dutch cooperation in Bolivia had already reached the goal expressed in 'A World of Difference': that by 1998, 50% of the development funds provided by the Netherlands should fulfil three of the four OECD/DAC/WID criteria. However, this was not confirmed by present evaluation.

#### ***9.4.2 Women and Development in project aid***

##### *SNV activities*

Although at headquarters the SNV has been quite active in designing policies that deal with the subject of women—or gender—and development, this dynamic has only partially been followed in Bolivia. The emphasis on women has decreased in recent years, as far as the number of associate experts on gender, the carrying out of women's projects and the linking up with relevant NGOs were concerned. The SNV implicitly used the term 'gender' as a neutral concept, taking into account men's and women's differentiated roles but not the power relations behind them. Even less importance was attached to changing the unequal power relation. According to SNV-Bolivia, this was partly due to the weakness of its counterparts and its stated preference to work with grassroots organizations, leaving little room for the subject of women or gender.

At the field work level, there was a clear shortage of strategies and instruments for implementing W&D policies. There was no monitoring system for this area, which might have been due to vague job descriptions for the development associates and lack of specificity in the goals set for all the activities. W&D knowledge or expertise did not constitute an explicit part of the SNV associate selection process.

More than half the partner organizations had no specific policy for working with women. Most associates reported having no impact on women's economic self-reliance. Two-thirds reported having no impact regarding W&D with respect to the target group, a fact confirmed by the partner organization. It was concluded that, in practice, SNV-Bolivia did not manage to integrate attention to women in its projects. Only one project out of the eight evaluated considered women's interests and needs in its design.

Regarding women's autonomy, the projects made no substantial contribution to any of the four dimensions. SNV-Bolivia mainly supported projects in the economic sphere, with the hope of thereby attaining results in other social areas. However, there were no results or activities related to any other aspects. In the economic sphere it was also difficult to trace tangible results. Non-compliance with W&D policies was more due to a serious

lack of policy implementation, support personnel, instruments, monitoring and advisory services than to a lack of applicability of the respective policies to the Bolivian culture.

In conclusion, with some exceptions neither the general W&D policies of DGIS nor those of the SNV were taken into account in the activities investigated. No substantial effects have been found with respect to strengthening women's autonomy or improving their standard of living, social status or economic independence.

### *Projects of the co-financing agencies*

All four CFAs have elaborated special women's programmes or supported women's organizations in Bolivia. A number of the NGOs funded had developed special policies or goals regarding W&D and gender issues. Much of the legislation and current policies in this field can be accredited to the activities of the various NGOs, partly because personnel of those NGOs took up responsibilities in the government.

About a fifth of the partner organizations in the sample worked mainly for women. Another one-third of them included activities especially focused on women, such as training, credit programmes, home gardening, day-care centres, drama, education, etc. The other organizations did not specify women as a target group. A number of them had activities that were naturally relevant to women, such as reproductive health and child-care, literacy campaigns and education, horticulture, informal sector activities and related credit schemes. Examples of these 'general' organizations were APCOB, CEDLA-Bolivia, CIDOB. Since the early 1980s the CFAs have supported activities especially focused on Women and Development, while in the 1990s attention was paid to a broader gender perspective as well.

The CFAs have taken great effort to achieve a more gender-oriented approach in the work of some of their partners. Gender effects became a permanent criterion in the assessment of proposals. Advice, guidance, monitoring and evaluation, dialogue, training and funding were all mobilized to effect a more gender-oriented approach.

Although it is difficult to express the activities of the Bolivian Co-financing Programme in terms of the Dutch W&D policy goals or criteria, it can be stated that Women and Development has become a much more central issue in both CFAs and counterpart organizations, and that a certain impact has been made in policy development and support, working methodologies and training, including non-traditional skills, for women. Effects were more tangible at a strategic level (policy, institutionalization, gender expertise, etc.) than at a practical level, e.g. the improvement of women's living conditions, although some small-scale efforts in this sphere were evaluated positively.

*Women and Development in the evaluated agricultural projects*

Only four out of the ten evaluated projects had a specific gender objective from the start, while others tried to incorporate this aspect during implementation. Three out of those four faced difficulties in the operationalization of the gender approach in their daily activities. Only two projects (PROSEMPA and Rhizobiology) had working methods differentiated by gender, as a direct result of the importance Dutch development cooperation has attached to this aspect. In some other projects there was resistance due to the feeling that the theme was imposed by actors outside the institution.

Women (including the younger ones) in the Andean zone lag far behind in education and training, while women increasingly carry responsibilities for agricultural activities and require more agronomical knowledge and technical skill than in the past. With the exception of the Mink'a project, the agricultural development projects have not adjusted their activities and working methods to the phenomenon of male migration (e.g. through transferring technology to peasant women). In practice the projects restricted their gender activities to training and technical assistance for activities considered female (such as animal husbandry, handicrafts, organization and social aspects). The scant attention paid to a gender-specific transfer was remarkable. With the exception of the Mink'a project, the projects did not focus on strengthening the autonomy of peasant women. In some projects it was noted that peasant women were overburdened with tasks as a consequence of additional activities promoted by the project.

Despite the growing interest and the good intentions of the implementing agencies, it was concluded that the evaluated agricultural development projects had little impact on peasant women, either in terms of their poverty or in terms of promoting their autonomy.

**9.4.3 *Women and Development in programme aid***

Programme aid is not a very suitable instrument for implementing gender-specific policies. The three instruments of programme aid evaluated in Bolivia—balance of payment support through commodity aid, the debt relief and budget support—do not offer equal possibilities for employing a gender approach or having any direct impact on women. In general, a gender-differentiated analysis of the effects of programme aid was complicated due to a lack of data.

In the selection of commodities to be imported, the possible effects on women have not been a point of consideration. Nevertheless, certain indirect micro-economic effects have been observed. For example, the donation of medicines has been positive for women. The

donation of fertilizer has resulted not only in an increased workload but has also led to more knowledge about its application among peasant women, as well as higher incomes.

In the case of external debt relief, the direct effects cannot be differentiated by sex in general. Budget support to specific social sectors offers a better potential for focusing on aspects of gender. Sectoral budget support in Bolivia consisted of support to the social investment funds, but in the allocation of resources the gender approach has not been an element of importance. The impact on women has been minimal in terms of employment generation: only 1% of all employment and income generated by the FSE has been of benefit to women. The FIS identified women as one of its vulnerable groups. It financed largely charitable projects, but did not develop any specific policy until 1994. Yet, there are indications that the female population has benefited more from the investments in social infrastructure than the male population. Medical services (basic sanitation and drinking water) for pregnant and lactating women have improved significantly. The increase in the number of female primary education pupils has exceeded that of boys, while the illiteracy rate of women is decreasing more rapidly than that of men.

It was concluded that the supply of some commodities like medicines and fertilizer have had positive effects on women, while the effects of projects financed by the social investment funds have had positive effects in terms of access to social services but not in terms of employment, income generation, or in support of women's autonomy.



## 10 Some local perceptions of development aid

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This chapter presents the results of a study on how international cooperation is perceived in two rural municipalities Aiquile (Cochabamba) and Tinquipaya (Potosí).

The objective of the study 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 that was used highlighted the visions, strategies and perceptions of the various actors involved in these interventions, which were coloured by particular experiences and relationships. Three dimensions of these perceptions were analysed in particular:

- 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.

The study systematically compiled narratives of actors (implementing organizations and target groups), which made it possible to understand whether and how experiences with international cooperation were being appropriated. Actors themselves validated the results obtained during field work. The time horizon (the past fifteen years) and geographical coverage (two municipalities) were limited. This qualitative in-depth research intended to illustrate the existing perspectives on and experiences with international cooperation and did not presume to be representative of either Bolivian perspectives in general or of Dutch aid, of which it only covered a small percentage.

The study was carried out in the municipalities of Aiquile (Cochabamba) and Tinquipaya (Potosí). Within these municipalities a number of communities/villages<sup>43</sup> were chosen belonging to different local authorities (*cabildos*, *ayllus*) and with a different ‘density’ of projects, grassroots organizations and NGOs. In both municipalities over 150 interviews

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<sup>43</sup> In this text, the terms ‘community’ and ‘village’ are treated as synonyms. In the North of Potosí, *haciendas* never existed; therefore peasant communities as legal entities were never established.

were held; systematic narratives were recorded with 35 respondents (both beneficiaries of projects and others) in each.

## **10.1 Characteristics of the municipalities**

The municipalities Aiquile and Tinquipaya are comparable on a number of variables (size, function, public services) and different on others (agro-ecological zone, presence of projects).

### **10.1.1 Characteristics of the municipality of Aiquile**

The municipality Aiquile (21,000 inhabitants) is situated in the Campero province in the southwest of the department of Cochabamba. It consists of the township of Aiquile, which is the capital of the Campero province, and 5,500 km<sup>2</sup> of rural hinterland.

The revival of silver mining between 1875 and 1895 led to a demand for agricultural products. Aiquile became a supply centre for this and other produce, and in later years for the city of Cochabamba as well. *Haciendas* of over 20,000 hectares were established and the region became relatively prosperous. The Agrarian Reform (1952) resulted in the expropriation of the *haciendas* and the establishment of the present communities and unions (*sindicato*). These unions were organized in a step-wise fashion from the communal to the national level and were a significant interest group. Since the early 1980s their influence has been diminishing due to organizational fragmentation.

The municipality stands at an altitude of 1,500 to 3,000 metres above sea level. The average landholding per family is between 2.5 and 3 hectares, with usually two plots in different agro-ecological zones. The mountainous topography and soil types prohibit intensive crop production, and mixed farming (cattle, goats and sheep) predominates. Climatic conditions are favourable for cereal production, and about 10% of the cultivated area has irrigation facilities. Small-scale farmers cultivate maize, a main staple crop for family consumption, while surplus is marketed. Other crops grown are potatoes, wheat, onions, tomatoes, chilies and fruit. In general, yields tend to be higher than national averages.

Social indicators are poor: child mortality is high and life expectancy low. Only 60% of the men and 20% of the women can read and write, while fewer completed primary school. In the township, 80% of the houses have drinking water but less than half have electricity. In the rural areas only 12% of the houses have tubed water and less than 1% have electricity. Since the public sector is almost nonexistent in Aiquile, social services

are provided by the Catholic Church, which runs a hospital, a school, a mechanical workshop, a training centre for women, a community centre, a radio station and two television stations. Communication is relatively good: Aiquile has road connections to Cochabamba (220 kms) and Sucre (160 kms) and a rail connection to Cochabamba.

The union is the organization which provides community cohesion, and Mother Clubs are another widespread form of organization, promoted by the NGO Caritas. Currently these clubs are evolving into women's organizations with trade union features. Social differentiation is based on many variables, such as differences in educational levels between adults and youngsters and the impact of migration on the composition of the household. Traditional forms of mutual support, such as the *faena*, are suffering erosion, sometimes leading to internal divisions.

### **10.1.2 Characteristics of the municipality of Tinquipaya**

Tinquipaya is not very distant from Aiquile as the crow flies, but it represents a different environment. The municipality of Tinquipaya (25,000 inhabitants) is situated in the Tomás Frías province in the northeastern part of the department of Potosí. It consists of the small township of Tinquipaya and contains seven *ayllus* and 132 small communities.

Like Aiquile, the town of Tinquipaya was formerly a transit place for goods and a supply centre for the region's mines. The mining crisis in 1986 caused a strong migration outflow of the younger population. Of the 2,000 inhabitants before the crisis only some 600 stayed. Almost no traders remained. Unlike Aiquile, Tinquipaya never had large *haciendas* and therefore the Agrarian Reform had less impact. There is hardly any union presence at the community level. The traditional authorities are linked to territorial units such as the *ayllu* and the *cabildo*, and they continue to be influential leaders.

The agro-ecological conditions in the municipality are determined by high altitudes (between 3,600 and 4,200 metres above sea level). Land pressure is high and fallow periods have become shorter. The average landholding per family is comparable to Aiquile, but farmers produce on a larger number of small plots located at different altitudes, usually on the leeward side of the mountains. The most important crop is potatoes, followed by grains (wheat, barley). As in Aiquile, mixed farming predominates, with sheep rather than cattle as the main form of livestock. Few communities have access to irrigation. This allows them to grow broad beans and horticultural produce.

Social conditions are precarious. According to 1992 data, 97% of the houses had no sanitary facilities or electricity, while 92% were not connected to drinking water systems.

Drinking water was installed in 1992, electricity came in 1995 and the first television arrived in 1996. Forty-five percent of those over six had never attended school. Health facilities are poor and the child mortality rate is high. However, life expectancy is better than in Aiquile because the area is free from the Chagas disease (a virus transmitted by a beetle causing a weakening of the heart). Social services are poor, but improving thanks to the social investment fund (see chapter 5). Tinquipaya has no direct connection to the main trunk road system and is more isolated from the outside world than Aiquile.

Relations are tense between the rural communities and both the public authorities and the population of the town of Tinquipaya. There is a great deal of resentment against the town on the part of the villages dating back to the period when the mines flourished. More recently, the community members were forced to work on the roads without getting paid for it. In 1995 new conflicts arose when all the community members had to contribute their labour to an electrification programme, but most houses beyond the town were not connected to the system. The relations with the municipal authorities continued to be perceived as relations of servitude, and *campesinos* felt marginalized and exploited. On the other hand, local authorities in Tinquipaya referred to the belligerent character of the farmers, who sometimes get drunk and harass the population. They even threatened to launch an attack on the town. Since both the Catholic Church and some NGOs receive external resources to provide social services (such as education and health), friction exists with the local government, which lacks the financial means to provide these services.

## 10.2 The projects

Traditionally, Cochabamba has been the centre for NGOs and development projects in Bolivia. The principal actors of Dutch international cooperation were Bilance and the SNV. In Potosí there were fewer NGOs, but projects financed by the Dutch Andes Programme (usually in the public sector) were on a larger scale than in Cochabamba. In the latter, Dutch development cooperation was one among many donors, but in Potosí, the Netherlands was the largest foreign donor. In Aiquile, the number of development institutions increased from one in 1975 and two at the beginning of the eighties (Caritas and Radio Esperanza) to eight in 1996. Most of the Dutch interventions in Tinquipaya were rather recent. The Netherlands financed among others the Mink'a integrated rural development project, the FAO-Holanda forestry project, the PROSEMPA national seed potato project, NGOs like ACLO and INDICEP and a grassroots organization (CORACA-Potosí). Although different kinds of platforms existed in which both NGOs and projects participated—such as, for example, the Rural Development Group (DRU)—the strategies of the participating organizations were never coordinated. Each project had its own clientele and micro-region to work with.

### **10.2.1 Projects in Aiquile, Cochabamba**

Since 1968, rural communities in Aiquile had been the target of small-scale external interventions. Larger interventions started in 1978, when the broadcasting station Radio Esperanza was founded by the Catholic Church to promote rural development through communication. In 1984 Radio Esperanza also began implementing forestry projects, in combination with soil conservation techniques and water storage (with financial support from Balance until 1994).

Since 1981, Caritas has been carrying out a food aid programme for women. Together with the Catholic Church, Caritas started organizing Mother Clubs in most of the communities. In 1983 the food aid programme was discontinued in some communities after conflicts about the distribution of food rations, but most of the Mother Clubs continued, with or without external support. In one community, women bought soap with the proceeds from the sale of the food provided and started a community shop.

The grassroots organization CORACA has been operating in Aiquile since 1985 and transformed itself into a service and marketing organization in 1987 with the aim to provide credit, promote new technologies and enable the participation of target groups in the implementation of development projects. As part of an SNV-funded marketing programme, CORACA strengthened existing community shops and introduced new ones. The shops did not prove to be feasible in all communities, and some were closed. Another activity of this marketing programme was the construction of pigsties for breeding improved pigs. Initially, 25 members joined the project, a number which decreased to 15. The construction of the pigsties took place on school grounds and generated conflicts with the teacher, who complained about the dirt, the bad smell and the noise. Some of the pigsties had to be rebuilt in another area three kilometres away, and several participants withdrew for this reason. The main bottleneck was the sale price of the pigs, which was too low to offset the costs of feeding-cake and care. CORACA purchased a large volume of feeding-cake in order to exhaust the budget made available by the SNV, without disposing of storage facilities. Part of this feed got spoiled or lost. In 1991, CORACA decided to discontinue its feed subsidy, and farmers started to suffer losses. The pigs were neglected, and six months later it was decided that each member should take some pigs home and feed them household leftovers so that they could be sold. By the end of that year, no improved pigs were left in the community. The project ended due to management problems and a lack of understanding of the real costs and benefits of breeding pigs.

During the 1990s, USAID, through its programme for alternative development in rural areas (PDAR) began constructing irrigation works in some communities. The works were never completed and the irrigation systems never became operative. The population was

disappointed and CORACA took over some of the works, but lacked the funds for its completion.

### **10.2.2 Projects in Tinquipaya, Potosí**

Caritas entered the municipality in 1984 and started to encourage women to organize so they would be eligible for food aid and courses (literacy and knitting). After some years, the women's organization considered building a centre for expanding their activities. The construction was never realized, and little by little the organization began to disintegrate and participation eroded. As a consequence Caritas withdrew its support.

Tinquipaya's integrated development project PRODESIT, has been operating since 1988, financed by the Lutheran Church. It was the only project carrying out activities in both the township and the villages. It had various components, such as the construction of physical infrastructure, a reforestation programme with tree nurseries, and a rotating credit fund. In one community, PRODESIT signed an agreement for a drinking water project. In exchange for the water system, the community would help construct a road to a radio station that was being set up by the Lutheran Mission. Local youngsters were selected as reporters. Once the construction of the road was started, PRODESIT received threats from municipal authorities (who were afraid that the radio station might be used to stir up the existing tensions between the township and the rural communities), and PRODESIT abandoned the project. Since then there has been a conflict between the community and 'the Lutherans'. With their own resources the community financed and constructed a drinking-water system and is very proud of this project.

Since 1992, three other projects have been operating, but not in all communities: a Dutch-funded forestry project (FAO Holanda), a potato seed project (PROSEMPA) and an integrated rural development project (Mink'a). The SNV-supported grassroots organization, CORACA, provided agricultural inputs and facilitated the marketing of agricultural produce in one single community in the municipality.

In 1993, the forestry project started a reforestation programme with a seed nursery and forestry training courses. As the years went by, the number of participating families decreased.

The seed potato project, PROSEMPA, introduced two new high-yielding varieties of potatoes in 1992. In some communities demonstration plots were established and certified seed was distributed among producers for seed multiplication. Certified seed is first- or second-year high-quality seed used for multiplication. The multiplied seed potato is used

to produce consumption potatoes. The marketing of the multiplied seed would allow farmers to purchase new certified seed. The project promoted the organization of potato producers. In one community the best terrains were at quite a distance and the crop was mainly used for family consumption and not for sale. The project withdrew its assistance from this community. Of the 45 families in another community only a quarter joined the project. In exchange for the seed provided, the producers had to return double the amount of seed after harvest. After two years, the small-scale farmers had to purchase the seed with their own resources, but they did not have the money to do so. The farmers then obtained credit from a rotating fund managed by PRODESIT. In 1995, the potato multiplication from certified seed failed because the seed supplied by the project was contaminated with pests.

Mink'a, the integrated rural development project, started with the construction of terraces and ditches and proposed a multi-communal irrigation project. The project contemplated a dam and irrigation canals which would distribute water to the various communities. The project would provide technical assistance and the necessary—purchased—inputs, while the villagers would contribute manual labour and locally available inputs (sand, stones). Women and children participated actively in the construction. The work turned out to be heavier than expected due to the nature of the terrain, and some communities requested pneumatic equipment from the project. The dam was never built because the project ran out of funds. In the meantime, the farmers of one community had acquired access to water resources that had always belonged to another community. This caused a conflict between the two communities. The Mink'a gender component dealt with issues like domestic violence but also contemplated the construction of corrals and sheepfolds and the treatment of sheep diseases, activities which were promoted among women.

### **10.3 Viewpoints of implementing agencies**

The implementing agencies of the projects are the local governments (municipality), NGOs, grassroots organizations and teams entrusted with project implementation. With few exceptions (local government, PRODESIT, Caritas), these executing organizations are not the same as the sources of funding, the donor. Donors do not specify target groups, although Dutch cooperation tries to pay special attention to women. Interventions are not homogeneously spread over areas, since communities are selected according to criteria such as accessibility, and there is also a tendency to work repeatedly in the same communities because this makes it possible to work with the same—already established—groups and may strengthen or complement existing activities.

Who have been the beneficiaries of the projects, according to the implementing agencies? The municipal government of Aiquile was of the opinion that the majority of the population did not benefit from development projects because they involved only productive and not social investments. In its view, productive investments only benefit a few individuals with access to the productive activities, but social investments such as drinking water facilities are beneficial to the entire population. The municipality stated that investments were spread thinly due to insufficient planning, and criticized NGOs for the absence of base-line studies on the social reality. The NGOs did not agree with this assessment. Both the municipal government and the NGOs believed that the projects' positive effects could be observed in some communities, but not in all of them.

In Tinquipaya, opinions about the benefits of the interventions were coloured by the conflict between the inhabitants of the town and the surrounding communities. The local government expressed doubts about project activities and believed that food aid made the farmers 'dependant and lazy'. The municipal government complained that the projects undertaken by the NGOs reached only places outside the town and were usually located close to the access roads.

In both municipalities the local authorities and the implementing organizations believed that international cooperation did not equally benefit all members of the community. Persons who benefited more from the projects were those who had enough time to join the activities or those who had more money, owned infrastructure or possessed more knowledge about how the communal society was organized. The municipal governments identified the project technical personnel as additional beneficiaries.

## **10.4 Perceptions of the beneficiaries**

The way the beneficiaries perceived the external interventions depended on their direct experiences with them, which varied according to community and to project. These perceptions have been grouped per municipality.

### **10.4.1 Perceptions in Aiquile**

The pig-breeding project was initially perceived as an achievement and the community was proud of it. The project started with the participation of most farmers, but after the conflict with the school and the change of location many withdrew. According to the farmers the project failed because it required that they spend almost all their time taking care of pigs, and this task could not be taken over by family members since it was difficult to combine with other productive and household tasks. The participating farmers



### Community shops

The communities Higos Pampa and Oloy in Aiquile had experienced interventions since 1986. Ten different institutions carried out projects. Caritas organized women in Mother Clubs and carried out a food aid programme, but it was discontinued after conflicts about the distribution of the food rations, which were given only to women with children and not, for example, to the elderly women. In Oloy a group of women sold the donated goods and bought a box of soap. With this they started a community shop. After some years CORACA decided to support this initiative and strengthened the organization. In Higos Pampa, CORACA introduced a community shop, but it was closed after four years.

#### A 30-year-old woman, Oloy, November 1996

'I have had all kinds of functions in the women's organization. First we had a Mothers Club, but now other women join us as well. Our shop was small. CORACA gave us a credit of US\$ 200, which we paid rapidly, so we could get US\$ 500. Don Pablo from Aiquile has a truck and brings us the provisions we need. Sometimes we cannot pay him, but he trusts us because he knows we always pay. Almost all the women buy here in our shop because now they don't have to travel to Aiquile any more. The credit of CORACA helped us and now CORACA also uses the shop to administer credit for the inputs they provide for planting. CORACA has helped the women organize better, and we are closely linked to the *sindicato*. With our group of thirteen women we run the shop and we are all good friends. We organize meetings on how to improve all kinds of things, not only the shop but also the credit for agriculture. We have a lot of fun and we celebrated Mother's Day as a group with our husbands.'

#### A 50-year-old woman, Higos Pampa, November 1996

'My husband works in Santa Cruz, but returns during the planting season. I don't like to work with all those institutions: they come and ask your name, you have to sign all kinds of papers which you cannot read; they promise all kinds of things. Yes, I am angry with those institutions. I remember having worked during many weeks to improve the houses of others to combat the Chagas disease, but I never received materials to improve my own house. How many months did we work on that irrigation channel? But my plots never received water. And then that shop: I was selected to become administrator, because I am intelligent, although I cannot write. So the women who attended the shop had to give me the reports and hand over the money. The money I passed to those of CORACA. Two were good guys, but the other one cheated me. The other women thought that I had taken the money. The shop didn't have sufficient money to buy new goods. Some of the women who attended the shop were handing over goods to their husbands without payment. These men were members of the *sindicato*, so CORACA didn't say anything. They are very egoistical, those of the *sindicato*. I don't attend the meetings any more.'

lacked knowledge of markets and had little idea about cost–benefit ratios. However, many of them said they had gained personal experience that led them to relations with other projects as well as with the union.

Most of the community shops were seen by the beneficiaries as products of their own initiative and were not seen as the result of an external intervention. The most successful shop was established as a result of an initiative by a group of women, while the external intervention only supported this initiative. The shops created an appreciated social space for women, which had not existed before. The shops were not successful in every case (see box). CORACA gave support to the organizations in their conflict-resolving capacity.

In those communities that had had decades of experience with different projects, villagers were of the opinion that several of them (Caritas, CORACA) disappointed the people or caused conflicts. New organizations created by the projects did not always fit well with existing ones. Rules set by the projects, such as handing over food rations only to women with children, did not coincide with community feelings of social justice. The lack of coordination among the different reforestation projects (Radio Esperanza, PDAR) caused confusion and envy, because some groups (committees) within the same community reaped more benefits from the same type of activity than other committees working with other projects. Larger projects did not always respect the community decision-making organizations (the general community meeting), while new organizations competed with the role of the union. In general, lack of interest or lack of success at the community level gradually led to a more individual appropriation of projects. The projects accentuated processes of economic, generation and gender differentiation. The adoption of knowledge by younger community members proved to be an incentive for their migration.

#### **10.4.2 Perceptions in Tinquipaya**

Two elements dominated the perceptions in Tinquipaya: the tense relations between the township and the surrounding communities, and the uncompleted irrigation project. Two of the communities had high expectations for the dam project because the irrigation water would reach each individual plot. The communities supplied ample manual labour for digging canals, and women and children organized themselves to work on the construction of the terraces. The excavation was difficult due to the type of soil. Mink'a did not make any progress on the dam, and when it announced that there were no funds left, the communities felt deceived: they had complied with their part of the agreement, but the project failed on its part. Furthermore, as a result of the preparatory work one community gained access to water that had always belonged to the other community. Although both communities belonged to the same *cabildo*, this generated division and animosity between the two.

The women, after having worked with Caritas for a period of eight years, joined Mink'a's women's programme. They remembered that Caritas arrived in the community telling

them that they had to organize themselves in order to receive food aid and training courses. When the women did not find a suitable site to construct their own hall (probably also due to lack of interest on the part of the other community members), the organization weakened and Caritas decided to discontinue support. 'Some young ladies' arrived who handed out drugs to protect sheep against parasites and taught the women how to vaccinate. To their surprise at a certain point these young ladies stopped coming. The women complained that they could not afford to buy drugs with their own resources. They also said that they could not attend Mink'a's other gender activities because caring for the sheep took so much of their time. In the opinion of the women, the project of sheepfolds and dips should not have been limited to women because it demanded heavy physical work, which should have been done by men.

When PRODESIT cancelled the radio station project, no explanation was given to the community. The villagers insisted the project owed them an explanation and meanwhile they kept their distance (some of them even started to persecute the Lutherans).

The FAO's reforestation project was introduced by a female social worker who was keenly appreciated. She was later replaced by a forestry engineer who did not speak Quechua well, and this greatly affected the project. After the initial enthusiasm, community members felt frustrated by not understanding the training courses, and as a result the number of participants dropped by half. Another problem was that some members refused to take their turn caring for the seed nursery, allegedly due to lack of time. The other reforestation project (by PRODESIT) was the result of a promotional campaign and was received with equal enthusiasm: 'some youngsters came who talked about planting trees on the barren hills, which would be very useful because it would provide not only fodder for the animals but also shade, and would protect us against the wind and the cold, and that finally the trees could be used for timber'. In spite of the fact that benefits could not be reaped in the short term, the community started a nursery. The group of participants was large, and women, men and youngsters alike shared the work ('we joke around and then the work is more enjoyable').

The introduction of new varieties of seed potatoes by PROSEMPA allowed the participants to obtain high yields. Small-scale producers experimented with the new seed and considered the results satisfactory. In a few communities (but not in all) the initial appreciation vanished when the project sold them certified seed that resulted in low yields. According to the farmers, the seed was contaminated with parasites. On top of that, the seed was no longer provided on credit but sold for cash.

**The community activist****A 52-year-old man, Taitani community, Tinquipaya (November 1996)**

'I migrated to La Paz at the end of the 1960s. One of my employers, a tailor, told me about the struggle between the classes and used books on Marxism to teach me reading. In my free hours I accompanied the tailor to listen to revolutionary speeches at the University. Because my father needed me, I returned to Taitani, where I became aware of the mechanisms of serfdom employed by the local authorities of Tinquipaya. *Campesinos* were obliged to do domestic work without payment in the houses of the authorities, while local taxes were raised which benefited the authorities only. In 1983 I organized resistance against the payment of local taxes and as a result most of my possessions were impounded and I was forbidden to enter the township for many years. Now I am leader of a seed potato producers' group working with PROSEMPA. The relation with this project is harmonious and the project is a blessing to the community. In 1994, the Mink'a project started with an irrigation project. Until the last moment they asked us to work on the dam site, knowing already that they would not be able to comply. They convinced the most obedient of us, and for months we excavated canals and holes for the infrastructural works. The project caused not only disillusionment but also hatred—hatred between persons and, even worse, between our communities. Because now, those of Kherwani have gained access to the water source which since ancestral times has always belonged to Taitani. We cannot accept this and we cannot rely on the authorities of the municipality who authorized this access. We have to settle the problem in a meeting of our *cabildo*. We are saving money to take up our legal defence.'

**10.5 Organization, the appropriation of benefits and survival strategies**

Who have been the beneficiaries of the projects, according to community members? Answers touched on three points: organization, direct advantages derived from the interventions and existing survival strategies.

**10.5.1 Perceptions regarding the effects of projects on organization**

At a community level, the development organizations were regarded as important by all villagers, women and men alike. There was more criticism concerning project staff than the organizations they work with. Institutions were identified by their technical personnel: the villagers knew 'the engineer, the young lady or the Lutheran' better than the institutions they work for. Personal relations between the field staff and the *campesinos* were crucial. The capacity of the field staff to handle organizational aspects was of the utmost importance for the success of the projects carried out (for example, when the female social worker was replaced by the engineer who did not speak Quechua well, the organization—the committee—disintegrated).

In Tinquipaya, the communities attached importance to the traditional authorities without seeing any contrast between them and the project committees. The new organizations were regarded as important because, through them, the community members learned to coordinate and plan. Organizations like the seed potato producers' committees and Mother Clubs offered young people an opportunity to develop their leadership capacities. In Aiquile, new forms of organization were either integrated into the *sindicato* or operated parallel to it. In some cases, the union even monopolized the community organization, while in other cases, new forms of organization undermined its position.

According to the villagers, the union did not always represent the interests of the community and eventually assumed one of two positions: it either responded to the interests of a particular group of families, or it took an altogether conservative stand, that is, keeping a distance from projects out of fear that these interventions might cause conflict and internal division. In both cases, the union tended to exclude the participation of some community members.

Many organizations showed continuity. For example, the Mother Clubs created by Caritas continued as women's organizations, although inserted into other projects (Mink'a).

Participating organizations demanded time from the beneficiaries. Most projects did not take into account the opportunity cost of the time spent in attending meetings and courses. Some forms of organization, such as a few Mother Clubs, acquired marked disciplinary characteristics and were perceived as authoritarian by some individuals or groups within the community. In general, there was fear that outsiders might bring 'division' to the community, and therefore some people regarded participation in projects as potentially dangerous. For this reason they did not want to join any newly formed organization.

### **10.5.2 Perceptions of who is benefiting from interventions**

Two types of actors derived advantages from external interventions: local organizations and individuals. The municipal government reaped definite benefits: the projects carried out infrastructural works and activities that could not have been undertaken without external funding. In Potosí (more than in Cochabamba) relations between the projects and the municipal authorities were based on mutual suspicion: project staff accused the authorities of being interested mainly in the political gains they could derive from projects, while the NGOs (or projects) were viewed with envy by the municipal government since they administered substantial budgets and consequently had executive power. Collaboration between municipality and projects was weak both in Cochabamba and Potosí, and policies and activities were not coordinated. In the context of the Popular Participation

Law, the municipal government is supposed to incorporate project activities in its annual plan of operation, but it proved to be impossible to harmonize at the municipal level the widely different policies of NGOs and projects. Larger projects such as PROSEMPA, Mink'a and FAO-Holanda were willing to inform the municipalities but not to subordinate their institutional policies to municipal plans. Maintaining a single institutional policy implied that strategies and working plans could not be accommodated to individual municipalities.

The presence of groups or individuals willing to participate in projects was an important selection criterion for the institutions. In practice the staff of the implementing agency negotiated the projects both at the identification stage and during their execution. In practice this implied that some groups or individuals were involved with several projects simultaneously, while other groups or even entire communities were neglected.

Policy harmonization among projects was virtually absent, while coordination among them was limited to specific activities only (e.g. organization of workshops). The farmers could not understand why three projects were all active in reforestation in the same municipality (and sometimes in the same community), using different work methods. Villagers were confused, for example, by Mink'a's charge of 15% interest on seedlings bought on credit, while FAO-Holanda did not charge any interest at all for the same seedlings. So groups within the same community working with one project reaped more benefits than other groups carrying out the same type of activity.

The advantages of interventions were appropriated individually as well. There were those who saw that they had a great deal to benefit from the projects, while others argued that projects acted against their interests (for example, production of seed potato). For some projects, such as the tree nurseries, the benefits were not at all certain, although they were perceived by the population as beneficial ('trees are always good'). Direct experience with the projects generated different types of knowledge and skills. Through these projects, new leaders were trained. New ways of viewing hygiene, the environment, etc., were generated. These new skills were the reason why some people made sacrifices to join projects. However, not all community members benefited or benefited equally. For example, in the case of the seed potato project, non-participants observed that benefits were reaped only by those who could afford to join the project: those producers with access to good soils, with family members who could commit themselves to producing food crops and who could afford to purchase inputs. In families where the youngsters had migrated, the elderly people or single female heads of households could not contribute their time, labour or cash to projects. Decisions regarding participation in a project were sometimes dramatic events in the community. The idea that some people might benefit more than others was seen as a threat to the community's unity.

### **10.5.3 Perceptions of the effect of projects on family survival strategies**

To what extent did the villagers feel that the interventions by international cooperation were having an effect on their own household strategies?

The long-term effects of the projects were not clear to the beneficiaries. For example, the seed potato project was considered valuable by many farmers because it introduced potatoes with a good flavour and with high yields, which enabled farmers to generate cash in the short term. Yet none of the farmers were able to become commercial seed producers, while some withdrew when they could not return the seed (due to lack of credit or bad harvests) or buy new seed.

In the case of sanitation and health projects, the beneficiaries were large groups or even entire communities. Projects providing social facilities such as drinking water were usually implemented in an atmosphere of harmony. These projects required the active participation of men and women alike. Villagers believed that their health and well-being improved thanks to the availability of clean water and latrines. In contrast, projects aimed at short-term income generation generated conflicts and division in some communities. For some families the interventions were well-suited to their survival strategies: the projects provided access to irrigation, improved inputs or markets. This enabled them to produce for the market and to generate a cash income. However, not all families in the rural areas had their investment priorities in agriculture. Some were mainly involved in livestock or work outside agriculture (trade, transport). As far as Dutch-financed projects were concerned, these mainly offered opportunities to those families interested in improving their economic situation based on crop production.

## **10.6 Some remarks**

Though community members were aware of the various projects, they found it difficult to distinguish between them. There were always some individuals who were more closely connected with the institutions than others. In general, these were married men old enough to fulfil positions within the community. Women had fewer contacts with institutions. Community members had their own theories about how projects operate, the dynamics of the institutions, the manner in which they take decisions and allocate resources. These perceptions differed according to gender, age, position in the community and access to financial resources and labour. However, all perceptions were principally shaped by experiences related to the operational aspect of the interventions and not by their final result or impact.

The dynamics of external interventions were determined by both ecological factors (the difficulty of undertaking interventions in an environment with limited resources) and socio-cultural factors (migration patterns, experience with the authorities, forms of organization, etc.). These experiences also applied to communities that had not yet benefited from development interventions, simply because they had heard about experiences elsewhere.

Success or failure in the implementation of projects was not directly related to the negotiating capacity of the communities in obtaining new projects. The majority of the communities that received international aid had increased their negotiating capacity at various levels, for example at the level of the municipality and the NGOs. Project success or failure were not decisive factors in the institution's decision to continue or discontinue their work with the community involved.

**Projects come and go**

**A 46-year-old man, Tinquipaya (November 1996)**

'Projects have a short memory: they come and go, as do their policies. As a community we cannot fail, otherwise we lose credibility, and projects and institutions will not take us into consideration. To please them the best thing to do is to agree with what they want, as long as they benefit the community. It is for a short time only'.

In some projects, community members actively participated in the process of negotiation, planning and management. They even rejected project proposals, as was the case with PROSEMPA in one community. Having experience with projects enabled new leaders to emerge. In general, negotiations between communities and institutions resulted in the institutions' contributing money, machinery and purchased materials and the communities' contributing local resources (stones, sand) as well as manual labour. There were also transactions in the moral sphere. For example, communities tried to convince the institution staff that they were organizing themselves in order to become eligible for a project. As part of this negotiation process (usually not explicitly expressed), and in exchange for the institutional resources, the community members were willing to adopt the project's discourse (see box). This did not necessarily imply that there existed a common view between the project and the community. Another form of negotiation, partly even ritual, was manifested in the preferential treatment traditionally given to project staff. They were received as gentlemen and authorities, so good food and drinks were served to them. But not everything ran smoothly: 'because they asked us for presents, chicken, lamb, and that's why they come along'. The nature of this negotiation process casts doubt on the possibility for any real participation, ownership and empowerment.



The need to take decisions on the acceptance or rejection of a project created tensions within and between communities. Tensions within communities occurred when some groups were eager to reap benefits from new opportunities while others feared that external interventions might threaten the community's unity. Tensions between communities occurred in the case of conflicting interests in relation to the expected benefits of a project (the access to a water source generated new opportunities for one community at the expense of another).

Interventions did not only correspond to Western rationale, but were also sanctioned—in some cases—using Andean cultural forms, such as the praying ceremony to the Pachamama (the Mother Earth). This traditional sanctioning, part of the appropriation of a project within a different world-view (the Andean cosmo-vision), was particularly common in Potosí.

Most communities had no sense of their own progress or future destiny, which made it difficult to establish a more permanent and lasting relationship between communities, local governments and project implementing agencies with the aim to follow a joint development path for the communities involved.

Dutch international cooperation was not viewed as anything special by the local governments or communities. Communities recognized projects in the first place by the field staff and to a lesser extent by the implementing agency, but not by the donor. In fact, neither the local authorities nor the communities knew where the resources from Dutch projects came from, with exception of FAO-Holanda (because of the reference in the name).



# ANNEXES

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# Annexe 1 The Policy and Operations Evaluation Department (IOB)

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The Policy and Operations Evaluation Department, also known by its Dutch acronym IOB or *Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie* is conducting evaluations of Dutch foreign policy as far as executed under the responsibility of the Minister of Foreign Affairs and the Minister for Development Cooperation. The IOB is part of the Ministry of Foreign Affairs. It is an independent unit which directly reports to the Minister concerned who submits the studies to Parliament. These reports are discussed with the Permanent Committee on Foreign Affairs with respect to follow-up actions.

The predecessor of the IOB, the Operations Review Unit IOV, was established in 1977 and carried out evaluation studies of Dutch aid policy only. Following a reassessment of the Dutch foreign policy in 1996, the mandate of the evaluation unit was broadened to include other fields of foreign policy as well. Initially IOB's emphasis was on individual project evaluations. About 250 such evaluation reports were produced. Since then, the emphasis has shifted from individual project evaluations to comprehensive thematic studies focusing on policies and modalities of implementation and covering sectors, themes or programmes. External independent experts participate in the various phases of the research under the responsibility of the evaluation department. Increasingly, institutions or experts in the recipient countries are invited to participate in the field work.

The final reports, based on the various field and desk studies, are written by IOB's own staff and published under its responsibility. Examples of thematic studies include: Evaluation and Monitoring, Interinstitutional Cooperation in Higher Education, Humanitarian Aid to Somalia, Environment and Development Cooperation, and Fertiliser Aid.

In 1994 studies were published on the Dutch country programmes in India, Mali and Tanzania. Similar studies were initiated on the programmes in Bangladesh, Bolivia and Egypt. These latest studies also gave attention to non-aid bilateral relations between those countries and the Netherlands, in according with the IOB's new mandate. Authorities in recipient countries are kept abreast of the process of the evaluations and are invited to comment on draft reports. A reference group consisting of external experts and Ministry

staff is appointed for every study. The reference group has three functions: to advise on methodology and approach, to counsel on relevant development theories, and to give feedback on evaluation results.

Increasingly IOB participates in multi-donor evaluations. Examples are the evaluation of the World Food Programme, the European Union Programme Food Aid and Emergency Assistance to Rwanda.

## Annexe 2 Organization of the study

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In 1994 Bolivia was selected as one of the countries where to carry out an evaluation study of the Netherlands bilateral aid. The study was conducted by the IOB of the Netherlands Ministry of Foreign Affairs from mid-1994 till 1998. The study was coordinated by G.E. Frerks (IOB), W.J. Cornelissen (NEI), and Ms. K.T.A.M. Verbaken (independent consultant). T.Y.M. de Groot, J.F.K. Jungheim and Ms. R.H.J. Lenten (all NEDWORC) provided research and other assistance. The study comprised an overview of the bilateral aid programme and other bilateral relations, background studies on pertinent issues and detailed desk and field studies on selected components and activities of the bilateral aid programme. A separate study was done to learn about the perceptions of the target group of (Dutch) aid in two municipalities. The studies were carried out both in Bolivia and the Netherlands. The preliminary desk studies started in September 1994. The field studies on specific components of the programme took place in 1995 and 1996. All studies resulted in mission reports or internal working documents. The final reporting took place from 1997 onwards.

### **General preparation**

Preparatory discussions were held with the South American Section of the Ministry of Foreign Affairs. A first mission to Bolivia was fielded in March 1995, during which discussions were held with several ministries and agencies of the Bolivian Government, the Netherlands Embassy, NGOs, bilateral donors and UN agencies. Information was gathered on various aspects of the Dutch cooperation programme in Bolivia, as well as on the programmes of other bilateral donors and international organizations and on those of governmental and non governmental organizations.

## **Desk studies**

The preparatory desk studies comprised the following activities:

- an inventory of all activities carried out in Bolivia between 1969 and 1996 funded under the Dutch Development Cooperation Programme and some basic data on these activities in the form of a computerized data base;
- an analysis of files at the Ministry of Foreign Affairs and other organizations on allocations and disbursements in the period 1969–96;
- an analysis of files concerning activities chosen for detailed study;
- an analysis of the Dutch development cooperation policy regarding Bolivia.

In addition to these preliminary studies, several desk studies were carried out to produce background material. These comprised the following issues:

- the bilateral relations between Bolivia and the Netherlands;
- the Bolivian political context;
- policy priorities of Bolivia in international development cooperation;
- human rights in Bolivia;
- Netherlands and Bolivian policies and activities on environment;
- decentralization and popular participation;
- the coca and cocaine issue;
- ethnicity;
- women in Bolivia;
- regional characteristics of the departments of Potosí and Cochabamba;
- the role of the Dutch in the department of Potosí;
- stabilization and structural adjustment.

These desk studies were carried out by the following persons: M. Alzérreca, S. de Boer, W.J. Cornelissen, Ms. M. Crespo, Ms. A. Escobar, A.E. Fernández, Ms. M.E. Gisbert, Ms. R.H.G. Lenten, A. Leyton, Ms. E. Pot, R. Rojas L., Ms. H. Salinas, R. Valkhoff and H. van der Veen. The results of these studies were reported as internal working documents, and were used as an input to the final report.

## **Components of the programme selected for detailed study:**

Seven components were selected for in-depth study:

- import support;
- debt relief;
- the Social Emergency Fund (FSE) and the Social Investment Fund (FIS);
- agricultural projects under the Andes Programme in Bolivia;



- the Co-financing Programme;
- the Netherlands Development Organization SNV;
- the Local Fund for Women in Bolivia (LFWB).

Within these studies there was a regional focus on the departments of Potosí and Cochabamba. In addition a study was done on the beneficiaries' perceptions with respect to (Dutch supported) interventions in two selected municipalities in the departments of Potosí and Cochabamba.

The study on the import support (commodity aid) and the one on debt relief were coordinated by W.J. Cornelissen, O. Aguilar O., O. Antesana, Ms. S. Espinoza F., J. Prudencio B. and R. Rojas L. carried out the fieldwork for the import support study, while T.Y.M. de Groot and J.F.K. Jungheim provided assistance. The results on the import support study were laid down in the work document *Evaluation of the Netherlands Import Support to Bolivia* (1996).

Ms. H. Salinas took part in the study on debt relief. The findings on debt relief were reported in *The Netherlands Support to External Debt Relief of Bolivia* (1995).

The study of the social funds FSE and FIS was carried out by W.J. Cornelissen, with support of M. Alzérreca, Ms. M.E. Gisbert and Ms. H. Salinas. Results were laid down in the mission report *The Netherlands Support to Social Funds in Bolivia. An Evaluation* (1996).

Ms. M. Crespo, Ms. R.H.J. Lenten and Ms. K.T.A.M. Verbaken carried out the evaluation study of the Local Fund for Women and the Women and Development theme in general, with the support of G.E. Frerks. Results were published in a final mission report for the IOB *Evaluación Fondo Delegado para Mujeres en Bolivia* (1996).

The study of the co-financing programme (activities financed by Bilance, HIVOS, ICCO, NOVIB) was coordinated by Ms. L. Malaver and M. Oostra (both LASO). V. Forero, G.E. Frerks, D. Montecinos, C. Olaya, Ms. N. Ruiz and Ms. K.T.A.M. Verbaken took part in the fieldwork, while T.Y.M. de Groot, J.F.K. Jungheim and Ms. R.H.J. Lenten provided assistance. Findings were laid down in the mission report *Una realidad híbrida, esfuerzos y resultados del programa de cofinanciamiento de Holanda en Bolivia* (1996).

The study on the Netherlands Development Organization SNV was carried out by V. Forero, G.E. Frerks, D. Montecinos, J. Quitón and Ms. K.T.A.M. Verbaken, with assistance of T.Y.M. de Groot and L. Klaassen. Findings were laid down in the mission report *Evaluación del Servicio Holandés de Cooperación al Desarrollo (SNV) en Bolivia 1969–1995* (1996).

D. Meindertsma (NEI) coordinated the study on agricultural projects under the Andes Programme. Ms. V. Arteaga, R. Rojas L., C. Sotomayor y T. Terrazas took part in the fieldwork. W.J. Cornelissen provided support. Findings were laid down in the consultants' report *Evaluación de las actividades de cooperación técnica holandesa en el sector agropecuario* (1996).

The study on the beneficiaries' perceptions with respect to (Dutch supported) interventions in two selected municipalities in the departments of Potosí and Cochabamba was coordinated by A. Arce and P. de Vries (Agricultural University Wageningen) with assistance of S. de Boer. Fieldwork was carried out by a team comprising Ms. A. Alba C., F. Antezana, Ms. V. Arancibia, Ms. C. Arcos-Bomblat, J.M. Lazcano y M. Torres C. Results were laid down in the mission report *Evaluación de la cooperación al desarrollo entre Bolivia y los Países Bajos desde la perspectiva de los actores sociales* (1996).

### **Feedback**

Consultants' reports were discussed in advisory reference groups in both Bolivia and the Netherlands. The group in Bolivia comprised H. Fernández (CIPCA, chairman), X. Albó (CIPCA), Ms. P. Cottle (Clave Consultants), Ms. S. Escobar de Pabón (CEDLA), J.A. Quiroga (CID-Procampo) and as representatives of the Bolivian Government: C. Agreda (Vice Minister SNAG), J.C. Aguilar (Vice Minister SIPFE), V.H. Bacarezza (interim director VIPFE), C. Balderrama (adviser SNAG), R. Cisneros (director DIFEM, SIPFE), M. Machicao (Director SNPP), J. Martinez (consultant VIPFE), M. Méndez (Vice Minister SIPFE), R. Mostajo (Vice Minister for People's Participation), G. Polo (director international cooperation Vice Ministry for People's Participation) and Ms. C. Ranaboldo (Vice Minister SNDR). The Ambassador of the Netherlands in Bolivia, Ms. M.W.J.A. van Gool participated in the Bolivian Reference group as observer, while M. Alzerraca acted as secretary.

The group in the Netherlands had the following members: Ms. H.I. von Metzsch (Director IOB, chair), P.F.F.M. van Dijck (CEDLA), P. Engel (Wageningen Agricultural University), D.A.N.M. Kruijt (Utrecht University), H. Oppenorth (GOM), F. Wils (IS-SAS), Ms. A. Zoomers (CEDLA) and as representatives of the Ministry of Foreign Affairs: Ms. M. van Boxtel, Ms. F. Kettenis, J. Jongma, R.C.J. Muijzert, J.R. Nijhof, J.J. Runhaar, R.J. Scheer, Ms. S. Spreeuwenberg and Ms. L.M. Talapessy. Draft reports were also submitted for comments to the organizations which were subject of study, to relevant sections within the Netherlands Ministry of Foreign Affairs as well as to Bolivian ministries and agencies in charge of or involved in the concerning themes, subjects or programmes, and to the Netherlands Embassy in La Paz. The comments received

on the various (draft) documents were taken into consideration when writing the final report.

This report in its totality was presented as a draft for comments to all those involved. The writing and compilation of the final report was done by the IOB coordination team. The responsibility for its contents lies with the Policy and Operations Evaluation Department (IOB).

### **Translations and editing**

Translations from Spanish to English and vice versa were done by Ms. A. Torres. Editing of English texts was done by Ms. N. Forest-Flier and Mr. A.F. Brown.

## Annexe 3 Dutch civil societies and their activities in Bolivia, 1969–95

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<b>Name organization</b>	<b>Activities in Bolivia</b>	<b>(Financial) details</b>
Amnesty International	data collection on human rights situation	
Bolivia Centre Antwerp—Working Group Bolivia	publications, meetings, library, Bolivia Information Bulletin	solidarity organization, bulletin published for over 24 years
Dutch Office for Policy Development (BBO)	no specific focus on Bolivia, but includes activities on Latin America (e.g. organization of congresses)	
Centres for Development Cooperation (COS)	in 1980s participation in Domitila project, at present no own activities in Bolivia	
Central Mission Commission (CMC)	funding Bolivian counterparts, mediation in recruitment of personnel	maximum around Dfl. 100,000/year and in total mediation of 11 persons
CLAT—Netherlands	support workers and farmers' union CLAT, information and education, periodical <i>Latijns Amerika</i>	
National Federation of Christian Trade Unions in the Netherlands (CNV)	Support activities similar organizations in Bolivia, signalled human rights violations against union members	partly financed through DGIS Trade Union Co-financing Programme (VMP)
De Waal Foundation (DWF)	rehabilitation clinic	
Ecumenical Development Cooperative Society (EDCS)	loans to 17 small-scale productive enterprises. Disbursement of EDCS in Bolivia over US\$ 5 million since 1987	Several shareholders. Contributions by Dutch shareholders amount to US\$ 20 million out of a total budget of US\$ 60 million.
Fair Trade	purchase in Bolivia from cacao and paranuts' producers cooperatives	volume of trade Dfl. 700,000 in 1996
Netherlands Trade Union Confederation (FNV)	support to labour unions and human rights issues	partly financed through DGIS Trade Union Co-financing Programme
Foster Parents Plan Netherlands	improvement of poor children's lives incl. health, education, community development	disbursement to Bolivia in 1995 Dfl. 11.7 million

<b>Name organization</b>	<b>Activities in Bolivia</b>	<b>(Financial) details</b>
Stichting Gered Gereedschap (Foundation Saved Tools)	collects, repairs and sends tools to developing countries at request	two projects in progress for Bolivia
Interchurch Peace Council IKV	had a working group on Bolivia in the past	
Stichting Kinderpostzegels	15 projects in day-care centres, health, disabled children, street kids	in 1995 disbursement of Dfl. 315,000
Salvation Army	funding of one small health project in Cochabamba	
Max Havelaar Foundation	commercial import of coffee	45.000 kgs in 1995
Memisa Medicus Mundi (MMM)	funding of small projects in basic health care through counterpart organizations	annual disbursement about Dfl. 100,000
Caritas Nederland (Mensen in Nood)	emergency aid, food security, marginalized group projects executed through counterparts in risk situation	partly financed by DGIS VPO programme. Own funds directed towards children
Foundation MIVA Nederland	provision of transport facilities to missionaries	
Pentecostal Movement	children's home	supported through media campaign by Evangelical Broadcast Corporation EO
Rabobank Foundation	financial and technical support to cooperative (savings and credit) societies	total disbursements to Bolivia Dfl. 144,500
Sisters of Saint Maria Helena Postel	a number of Dutch sisters of the congregation worked in Bolivia in education	
Solidaridad	support to churches and other groups for agricultural development projects, education and research	disbursement to Bolivia for 1995 US\$ 120,700
SOS Children Villages	children's villages in Cochabamba, La Paz, Oruro, Tarija, Sucre and Santa Cruz	
Foundation Doen/Postcode Loterij	support to projects in Bolivia	
Foundation Tear Fund Netherlands	street kids, drug relief centre	total amount disbursed Dfl. 100,000
Terre des Hommes (TdH)	disabled children, health and projects Dfl. 850,000	total disbursement since 1975 education Dfl. 7.9 million, in 1995
Foundation Netherlands UNICEF Committee	support to projects in Bolivia	

<b>Name organization</b>	<b>Activities in Bolivia</b>	<b>(Financial) details</b>
Association of Netherlands Municipalities VNG	Links between Veenhuizen and IPTK Potosí (1990–92) and Zevenhuizen-Moerkapelle with INEDER; activities related to agriculture, health, radio transmissions and mining	
World Wildlife Fund WNF/WWF International	conservation and development project in Beni Reserve	
Foundation Wilde Ganzen	funded 18 projects in Bolivia since 1992	total amount of Dfl. 500,000 collected through IKON radio and tv campaign
XminY	few small donations to Bolivian organizations CAPC, information network and miners' wives union, gay movement	

## Annexe 4 Dutch aid to Bolivia by budget line, 1969–95

Programme	small	major	total expenditure	
	projects <sup>1</sup>	projects <sup>2</sup>	Dfl. '000	%
Environmental activities	24	5	15,011	2.0
Research and technology	19	2	2,733	0.4
Local Fund for Women in Bolivia LFWB	154		2,103	0.3
Netherlands Development Finance Company FMO	3	1	12,579	1.7
Netherlands Management Cooperation Programme PUM	91		1,689	0.2
Interuniversity Cooperation	5	1	3,536	0.5
Netherlands Fellowships Programme NFP	50 <sup>3</sup>		3,413	0.5
Balance of payments support and debt relief		13	169,890	22.8
Humanitarian Emergency Programme	13		3,260	0.4
Human rights and democratization	5	2	1,414	0.2
(Associate) bi/multilateral/sectorial experts programme	75	1	20,573	2.8
Small Embassy Projects (KAP) Programme	367		3,308	0.4
Communication Programme	19		1,351	0.2
Andes Programme	76	57	314,257	42.2
CEBEMO/Bilance	226	6	41,024	5.5
ICCO	75	7	31,229	4.2
NOVIB	28	5	32,411	4.4
HIVOS	18	3	9,978	1.3
Food and nutrition aid	121	9	34,116	4.6
Association of Dutch NGOs for Personnel Services	12		1,226	0.2
Overseas PSO				
Trade Union Programme	27		2,169	0.3
SNV Associates	127		30,443	4.1
Other budget lines (groups together 12 budget lines representing each less than 0.1% of total disbursements)	96		6,291	0.8
<b>Total</b>	<b>1631</b>	<b>112</b>	<b>744,004</b>	<b>100.0</b>

<sup>1</sup>This category covers smaller projects of less than Dfl. 1 million, including missions, studies etc.

<sup>2</sup>This category includes projects over Dfl. 1 million.

<sup>3</sup>Since 1986.

Annexe 5. Key data of the sampled projects in the agricultural sector, 1984–95

Project evaluated	Implemented by	Disbursement Dfl. thousands	Period	Financing channel	Objectives
Mink'a agricultural development project	Prefect Potosí, previously CORDEPO	3,766.1	1992–95	UNDP	<ul style="list-style-type: none"> <li>– to increase income of the rural population in Potosí</li> <li>– to reduce migration</li> <li>– to achieve sustainability through the use of existing organizations</li> </ul>
Organizational strengthening, potato seed production and improvement of sheep-breeding	CORACA-P	488.5	1994–95	SNV	<ul style="list-style-type: none"> <li>– to contribute to socioeconomic improvement among communities in three provinces of Potosí</li> <li>– to assist the Syndicalist Confederation of Peasant Workers by strengthening their economic wing, CORACA-P</li> </ul>
Strengthening of potato seed multiplication and distribution in Bolivia, PROSEMPA	National Seed Committee CNS, Euroconsult (consultant)	23,196.7	1989–95	Euroconsult	<ul style="list-style-type: none"> <li>– to improve the economy of smallholder producers</li> <li>– to strengthen systems of potato seed production, multiplication, distribution and seed use</li> <li>– to achieve a quantitative and qualitative improvement of potato seed</li> <li>– to validate, adapt and transfer cultivation technologies</li> </ul>
1 Organization and education for development;	INDICEP	407.2	1984–86	1 Bilance	<ul style="list-style-type: none"> <li>– to promote integral community development through economic, social and cultural empowerment</li> </ul>
2 Rural development in Bilbao and Rioja, Potosí			1986–88	2 GOM, PROCADE	<ul style="list-style-type: none"> <li>– to promote the organization of communities and community work</li> <li>– to improve potato production (PROCADE)</li> </ul>
Optimization of biological nitrogen fixation for agriculture in Bolivia, Rhizobiology	CIAT, Wageningen Agricultural University	3,359.4	1989–95	Wageningen Agricultural University	<ul style="list-style-type: none"> <li>– to contribute to the development of a permanent and sustainable agriculture, based on integrated management of the soil-plant system, incorporating crop rotation with leguminous species that fix atmospheric nitrogen</li> <li>– to develop specific inoculation agents for most leguminous grain and fodder species</li> <li>– technology development</li> <li>– to establish a factory for the commercial production of inoculation agents</li> <li>– to train professionals in basic research and transfer tasks related to the practice of inoculation</li> </ul>



<b>Project evaluated</b>	<b>Implemented by</b>	<b>Disbursement Dfl. thousands</b>	<b>Period</b>	<b>Financing channel</b>	<b>Objectives</b>
Feasibility study on cochineal and <i>tuna</i> production	Bolivian Export Foundation, DHV (consultant)	384.0	1991	World Bank	<ul style="list-style-type: none"> <li>- feasibility study and pilot project on cochineal production with the purpose of increasing income of small producers and generating foreign exchange through exports</li> </ul>
Recovery programme for wheat producers in Cochabamba, CESAT	CESAT	6,431.0	1985-87	NOVIB	<ul style="list-style-type: none"> <li>- to improve the living conditions of poor farmers in the traditional areas of Cochabamba, promoting agricultural development through wheat production. In 1987-88 this objective focused on the relation with APT, while in 1991 the objective of restoring the agro-ecological balance through the implementation of reforestation, soil conservation and recovery was added.</li> </ul>
<i>Tarhui</i> production and nutrition project	CASDEC	1,223.0	1986-92	ICCO	<ul style="list-style-type: none"> <li>- to increase production and productivity of <i>tarhui</i></li> <li>- to promote <i>tarhui</i> processing and marketing</li> <li>- to improve the nutritional status of the population</li> <li>- to support the organization of peasant women.</li> </ul>
Protection and management of renewable natural resources for the sustainability of agricultural development in CASDEC's areas of intervention	CASDEC	876.0	1992-95	ICCO	<ul style="list-style-type: none"> <li>- to integrate management of natural renewable resources with the production of Andean crops;</li> <li>- to generate conditions that favour improving the sustainability of natural resources: soil, water and vegetation</li> <li>- to facilitate and consolidate self-management processes among peasant organizations, focusing on women's participation and esteem for the role of women.</li> </ul>

Annexe 6. Basic characteristics of CFA counterpart organizations in sample

Name	Goals	Target groups	MFO
ACLO	literacy, radio education, improvement of agriculture	peasantry South Andes	Balance
AIPE	a) networking, coordination and strengthening members b) execution inter-institutional programmes	a) NGOs b) rural population	NOVIB
Alpaca-works	marketing products knitted by women	women's production groups	HIVOS
ANED	provision of credit, training and institutional support	peasants, small producers, women, NGOs	ICCO
APCOB	organizational and project support to indigenous groups in Eastern Bolivia	indigenous population	HIVOS
APDHB	support to victims of human rights violations, education and lobbying	victims of human rights violations	Balance/ ICCO
Casa de la Mujer	organization and improvement living conditions	rural migrant women in Sta Cruz	HIVOS
CDLM	exchange, coordination and lobby	Women's NGOs and movement	GOM
CEDLA	socio-economic and policy research	unions, social movements, NGOs and government	GOM
CER	communication and production of educative material	rural population	Balance
CETHA	(adult) education, income generation	peasantry	Balance
CIDOB	representation, organization and project support	indigenous population of Eastern Bolivia	HIVOS
CIDRE	documentation, information, micro-regional development	peasantry	Balance
CIPCA	education, organizational support, economic improvement, political pressure	peasantry	NOVIB
CISEP	income and employment generation, organizational support	(ex) miners, women	NOVIB
CISTEM	improvement living conditions and social position	Aymara migrants in El Alto	Balance
Clave	organization and control of consultancies, M&E, support and training	NGOs (networks)	NOVIB (ICCO)
COD	support unions and people's organizations	organized labour	NOVIB
G. Apaza	education, political mobilization, technical training	Aymara women El Alto	NOVIB
ICADES	education, training and organization, small projects	highland peasants	Balance

<b>Name</b>	<b>Goals</b>	<b>Target groups</b>	<b>MFO</b>
IDEPRO	micro-enterprise credit	urban informal sector	ICCO
INCATEM	education for income generation	low income women	HIVOS
INCCA	organization peasantry, (agr.) income generation	poor rural population of Arañ	ICCO
INEDER	integrated rural development, organization of farmers	peasantry of Carrasco	NOVIB
IPAM	emergency aid, political and organizational support miners' unions	miners (families)	Bilance
IPTK	socio-economic and political improvement	rural population Chayanta	NOVIB
OSAP	project preparation and analysis, guidance of grassroots organizations	local groups, movements and popular organizations	Bilance/ ICCO
Qhana	participatory rural development	rural population in the Andes and the Yungas	ICCO
Sartawi	support (credit) to micro-enterprise, training of women	rural Altiplano population, migrant women	ICCO
SEAPAS	implementation social policies of Catholic Church, social programmes	population of Sta Cruz diocese	Bilance
SERPAPJ	promotion of human rights via education and training	(migrant) population El Alto and La Paz	ICCO
Sinergia	social and policy research and advice	NGOs, government, donors	Bilance
UNITAS	coordination and common action	NGOs	GOM

Annexe 7. Basic characteristics of CFA funded projects in sample

Name	Activity funded	Project objectives	Target group and location	Results
ACLO	3 year plan for agricultural development	economic strengthening and commercialization of farms, diversification, introduction of new agricultural methods	rural population (3,500 families) in four micro-regions (Chuquisaca)	activities in agriculture, agroforestry, horticulture carried out in difficult area, set up of mills of communal shops, delivery of products against reduced prices. Transfer to farmers to be improved
AIPE (PROCOM)	anti-migration programme PROCOM (rural credit)	to address socio-economic causes of rural migration through improvement of living conditions	rural population in Zudáñez and Chayanta	set up of social infrastructure, provision of credit (initially problems), introduction new micro-regional planning, change to service delivery and production, participatory approaches. Gender aspect weak
Alpaca-works	bridging finance for organization	functioning Apacaworks office	7–10 production groups (170–375 women) in Cochabamba	provision of design, delivery of wool, quality control and marketing realized. Income generation at producers' level small, number of beneficiaries limited, financial sustainability low
ANED	credit fund and institutional support	provision of credit for rural and urban producers, training, administration	peasants, small producers, NGOs in depts of La Paz and Santa Cruz	provision of (rural) credit, training and guidance of producer groups, new markets, new banking products, growth portfolio from US\$ 1.2 to 3.5, large reduction in % defaulters
APCOB	sustainable forestry project	sustainable forestry management, running saw-mill, marketing and export timber	Chiquitano indians in Lomeño	inventarization, delimitation and management of forests ongoing (about 1,500 has, 25 communities), lobbying successful. Export certified wood realized, saw-mill runs at a loss, merchants are a problem. Gender approach weak
APDHB	general support	support to victims of human rights violations, education and lobbying	victims of human rights violations	individual support through 9 offices, publications and lobbying ongoing despite financial problems, cooperation with State difficult in coca-growing area
Casa de la Mujer	3 year plan	improvement living conditions, promotion of egalitarian gender relations	migrant women and female servants in Sta Cruz	training, juridical support, health, day-care centre, research plans implemented according to planning. Gender approach to be strengthened and more focus needed
CEDLA	3 year plan, local planning studies, intervention models	formulation of intervention models and testing on pilot scale with selected target groups	textile labourers (El Alto), migrant labour and small farmers in Sta Cruz	research and publications generally of good quality. Output should be made more accessible. This project is more focused on applied research than earlier work

Name	Activity funded	Project objectives	Target group and location	Results
CEER	reforestation project	(re)introduction of indigenous and exotic trees, nurseries and plantations, conscience raising and training	400 families (2,000 persons) around Totora	nursery output one third more than expected, distribution of 140,000 seedlings in one year, education and workshops executed according to plan. In forestry and water project 25% farmers' contribution
CETHA	education, general programme support	(adult) education and training	Quechua farmers around Tiraque (Valle Alto)	adult, technical and non-formal education given, workshops for 860 participants realized, micro-projects satisfactory progress, store under construction. Internal planning and organization shows weaknesses
CIDOB	general support, bridging finance, projects	organizational support to CANOB (regional union of Ayoreo communities)	Ayoreos (10 communities; 2,000 persons), Sta Cruz	organization, congresses, seminars, communication effectuated. Indigenous issues put on agenda and organization itself recognized as spokesman. Office opened.
CIDRE	bridging finance	study on small-scale wood-work (furniture)	50 wood workers and small scale production shops, dept. Cochabamba	feasibility studies and participatory workshops carried out. Socio-economic and technical bottlenecks and opportunities identified. Market potential established
CIPCA	FONDECO credit fund	provision of medium and long term credit to farmers	farmers and rural target groups, several departments	provision of 300 credits to farmer groups and individuals, technical guidance realized. 70% investment, long term credits. Special programmes for women successful, high recovery rate (90%)
CISEP	support to 3 year plans	organizational and socio-economic support to the miners	some 120 (ex) miners in Oruro	organization strengthened, demonstrations and training realized, food aid and health care provided. No long term and structural solution.
CISTEM	organization and training for income generation	organizational strengthening, training on income generating activities	some 3,500 Aymara migrants in Cupulupaca weak	workshops and training realized professionally. Activities however traditional and links with community still
Clave	guidance and support NGOs (contracts)	consultancies, guidance and M&E (of Novib's partners)	NGOs (networks) carried out professionally	intermediary function in organizing consultancies
COD	trade union training school	training union leaders	leaders and membership of unions and popular movements in Sta Cruz	training, communication, publications, extension material published in those years. Now changes needed. Runs presently at a deficit

Name	Activity funded	Project objectives	Target group and location	Results
Coordinadora de la mujer	3 year training programme	training and sensibilization in gender problems and perspective	staff NGOs all over the country	four cycles of training workshops (220 women) realized. Initiative generally appreciated, but practical orientation to be strengthened
Gregoria Apaza	5 year plan	formulation of local, gender-based and sustainable development model	Aymara women El Alto	1,000 women trained, training of 300 women quarterly ongoing, diploma's acknowledged, conscientization through radio (16 hrs/day), tv programmes and videos, psychological and juridical support to 600 cases/yr. Day-care centre functioning, but not self-supporting
ICADES	all ICADES' activities	local level development	North of Potosí	micro-projects set up and continuing
IDEPRO	5 year plan	provision micro-enterprise credit and related services	urban informal sector (350,000 enterprises); 7 larger towns	individual and group credits (US\$ 7.5 m to about 10,000 persons), training and advice on purchases, insurance, marketing and contracts to 3,000 clients, default 7%
INCATEM	educational programme	education for income generation of poor women	low income women; several depts	courses, sewing workshops, day-care centre, health care, radio programmes. Educational goals attained, including income generation
INCCA	contribution 3 year programme	organization peasantry, (agr.) income generation	2,500 families in Arañá	political activities, organization, provision of agr. inputs carried out with modest results
INEDER	support ATP	technical assistance and marketing for wheat producers, institutional strengthening, training and studies	members APT (1,800) in dept. of Cochabamba	training, research, credits and storage realized, marketing problematic due to lack of sale potentials
IPAM	distribution of food aid (PAM)	emergency (food) aid, running of local shops, political and organizational support miners' unions	miners (5,200 families) esp. around Liallagua	purchase, transport and distribution of food via shops realized to some 4,000 families. No firm conclusions on effectivity of training and organizational support, as miners unions are weak at present.
IPTK	3 year plan	integrated rural development (some urban activities in Sucre)	total rural population (Chayanta; 40,000 inhabitants in and around Sucre	education and health care successful, productive programmes relatively weak, first credits with low recovery and interest rates. Now market conformity, prices products problem for profitability at farmers level. Other programmes (communication, enterprise) satisfactory.

Name	Activity funded	Project objectives	Target group and location	Results
OSAP	advice and guidance small-scale projects	project preparation and analysis, guidance of grassroots organizations, funding small project requests	local groups and organizations (national)	local projects, project appraisal and guidance (visits) of organizations realized. Small project fund ICCO underutilized and not managed well
PRACA	rehabilitation of agricultural production	increase of agricultural production, channelling of international funds to member NGOs of UNITAS	1,200 communities in 5 departments (some 240,000 persons)	purchase and distribution of 54,000 bags of seed potatoes. Experiments not very successful, technical expertise insufficient, lack of systematic planning
PROCADE	rural development	improvement rural living conditions, channelling of funds, development and intervention model for Altiplano, research into new and alternative crops	highland farmers (11,000 families) in 5 departments	agr. production, credit, marketing, research carried out. Successful introduction micro-regional approach, participatory diagnosis, number and quality proposals higher than expected. Increasingly attention paid to gender
Qhana	research coca production in Southern Yungas	study into situation and improvement position of coca-farmers	NGOs, local organizations, 75,000 families in Los Yungas	socio-economic research carried out and reported upon. Level theoretical and little applied. No information about practical use
Sartawi	micro-enterprise by women	rural employment through micro enterprise, marketing and export	rural Altiplano population dept. of La Paz	credit, training, design, marketing support realized. Over 50 micro-enterprises established (30 of them export products), 20 new design introduced. Growth in programme
SEAPAS	biological agriculture (AGROPLAN)	biological agriculture, traditional knowledge, improvement food and health situation, sale of biological products	production groups around 160 families around Samaipata, Sta Cruz	horticulture shows steady growth, technical and marketing support realized, transport provided
SERPAPJ	education and communication	promotion of human rights via education and communication	(migrant) population El Alto and La Paz	training, publication, bulletin, and networking realized and continued
Sinergia	advice and guidance	guidance, evaluation and administrative support for Bilanzee's counterparts	NGOs (national)	project evaluation, monitoring, administration and guidance provided according to plan
Unitas	PRACA Rural Rehabilitation Programme	coordination and common action	NGOs	networking, publications, common activities (see PRACA and PROCADE).

## Annexe 8. Overview of SNV host and partner organizations, development associates and projects, 1969-95

Partner	Type	Sector	Region	Development associates (contracts)	Period	Projects SNV	Period
ACLO	NGO	rural development	Tarija/Chuquisaca	4 (6)	1979-89		
ADEPLECH	GrO	livestock	Chuquisaca	1	1993-	1	1994-
APOCB	NGO	forestry/indigenous people	Santa Cruz	6 (7)	1986-	1	
APT	GrO	agriculture/organizational	Cochabamba	1	1994-	2	1992-
ASONGS	Network	health/organizational	Cochabamba	1 (3)	1986-89		
CAIC	GrO	agriculture	Beni	1	1984-	1	1988-89
CANOB	GrO	indigenous people/organizational	Santa Cruz			1	1991-93
CAPAZ	NGO	agriculture	La Paz			1	1991-92
CCIMCAT	NGO	handicrafts/W&D	Tarija			3	1988-
CDA	NGO	education	La Paz	2	1987-91	1	1988-89
CDDS	GO	multisectorial	Chuquisaca	1	1994-		
CEAC	NGO	agriculture/social	Santa Cruz	2	1987-90		
CEDOIN	NGO	communication	La Paz	1	1988-89		
CENPPO	NGO	social services	La Paz	1	1981-85	1	1981-87
CEPROMIN	NGO	miners/social	Cochabamba	1	1990-91		
CEPROMU	NGO	agriculture/W&D	La Paz	1	1987-89	2	1987-89
CESAT	NGO	agriculture/social	Cochabamba	1	1990-91		
CIDCRUZ	NGO	social services	Santa Cruz	1	1980-87		
CIDEM	NGO	social/W&D	La Paz	1	1990-91	1	
CIDOB	Network	social/indigenous people	Santa Cruz	1	1993-	2	
CIPCA	Ecl./NGO <sup>1</sup>	agriculture/social	La Paz/Santa Cruz/Cochabamba	14 (22)	1976-		
COINCA	GrO	agriculture/organizational	Potosí			1	1994-
Coop. Camp.	GrO	agriculture	Pando			1	1992-93
CORACA-A	GrO	agriculture/organizational	Cochabamba			1	1994
CORACA-P	GrO	agriculture/organizational	Potosí	4	1991-	1	1994-



EAIIP	NGO	habitat	Tarija	1 (3)	1987-92	1
EMEIR	NGO	rural development	Beni	3	1984-94	
ERBOL	Network	radio communication	Tarija/Cochabamba	1 (4)	1989-93	
FEDECA	GrO	agriculture	Santa Cruz	1	1992-94	
FNMCB-BS	GrO	organizational/W&D	La Paz	1	1985-87	
Fed. Depart. Amas de Casa	GrO	organizational/W&D	Cochabamba			1 1986
FSG	NGO	education/W&D	La Paz	2	1976-81	
ICMY	Ecl.	education/women	La Paz	7	1971-76	
ICO	NGO	agriculture/organizational	Cochabamba			1 1984-88
INEDER	NGO	rural development	Cochabamba/Chquisaca	3	1982-88	
IPTK	NGO	rural development	Chquisaca	2	1982-88	
IT	Ecl.	technical education	Cochabamba	35 (49)	1969-79	
J. Azurduy	NGO	social/W&D	Chquisaca	1	1991-941	
L. Grande	Ecl.	agriculture	La Paz	3	1973-76	
PIDAC	NGO	agriculture	Santa Cruz			1 1986
PIRAI		social	Santa Cruz	1	1976-77	
PROGRESO	GrO	agriculture	Santa Cruz	1	1990-91	
Red Habitat/CPAAL	NGO/GrO	habitat/housing	La Paz	1	1994-	1 1994-
RSG	NGO	radio communication	La Paz	2 (3)	1977-92	
RSM	NGO	radio communication	Beni	1	1994-	
SIDIS	GrO	miners trade union	La Paz	1 (2)	1986-92	
TdH	NGO	health	Cochabamba	3	1977-89	
UAC		handicrafts trade union	Santa Cruz			1
Warmi	NGO	small enterprise/W&D	Cochabamba	1	1994-95	1 1994-95

<sup>1</sup> CIPCA is an institution founded by the Jesuits, which became independent and now defines itself as a non-profit civil association. In this study it is regarded as an NGO.

## Annexe 9. Host organizations of SNV development associates in sample

Name	NGO/Grass-roots org.	Area	Sector	Objectives	Activities
APCOB	NGO	Lowlands of eastern Bolivia, Santa Cruz	forestry, indigenous population	strengthening of indigenous movement	strengthening indigenous sense of identity, legal defense of territories; protection of natural resources; poverty alleviation; training
ASONGS	network of NGOs	nationwide, HQ in Cochabamba	health	strengthening of health related NGOs	training of NGO personnel; consultancies; health information; supply of essential drugs to NGOs; diagnosis of (activities in) health at regional level; strategy development in the health sector
CEDOIN	NGO	nationwide, HQ in La Paz	communications	information and analysis of the interests of trade union organizations and indigenous communities	archive of periodicals; publications; specialized journalism; social communication
CIDEM	NGO	nationwide, HQ in La Paz	social	defense of women's rights; education/research; services; critical follow-up and social protest	organization; poverty alleviation (food aid); reflection
APT	grassr. org.	highland departments	agriculture	strengthening of the organization	livestock, potato seed; wheat marketing; organization, bilingual education
CIDOB	grassr. org.	eastern departments	social/indigenous people	improvement of socio-economic, political and cultural living conditions of indigenous people; protection of indigenous rights to territory and natural resources	sustainable forest management and exploitation; recovery of territorial rights

CIPCA	NGO	several departments	agricultural, livestock and organization	strengthening of peasant organizations in economic, educational, organizational and ideological areas	micro-regional diagnosis and plans; projects involving agriculture irrigation; livestock; education; support to women; decentralization; work with ethnic groups
CORACA-P	grassr. org	department Potosí	agriculture and livestock, unions	improve incomes; to strengthen peasant organization; to enable local management	agricultural and livestock extension services; marketing; community organization
FNNCB-BS	grassr. org.	nationwide	peasant and organizational community work	training of peasant women; strengthening of their organization	education and training; organization of seminars
IT	ecclesiastic NGO	city of Cochabamba	technical education	technical education to the poor; training of technical teachers	technical education at intermediate level
ERBOL	network of NGOs	nationwide, HQ in Tarija	communications	provision of support to members	training; information; administration and representation of members
Lavi Grande	ecclesiastic NGO	Yungas and Dept. La Paz	agriculture and livestock	poverty alleviation	technical information to children of peasants; experimental plots; pesticides
Red Habitat-CPAAL	NGO/ grassr. org.	El Alto	housing	to improve housing and general living conditions	training of personnel in NGOs; rotating housing fund; self-help schemes; environment, women and development
SIDIS	grassr. org.	nationwide, HQ in La Paz	trade unionism of miners	training of miners; recovery; classification and dissemination of documentation on mining trade unionism	courses to miners and other workers on labour legislation; social issues; industrial security; political economy; history of Federation; production of training material
Warmi	NGO	Cochabamba	micro-scale enterprise	to promote the interests of mothers and children in poor neighbourhoods	soap production; day-care centres, extension services to community; neighbourhood library

Annexe 10. Tasks, results and problems of development associates in the sample

Partner	sexe	profession	period	tasks and functions	results	problems and limitations
APCOB	m	rural sociologist	1989-97	assistance in agroforestry, elaboration of a strategy for the development of indigenous communities	few	conflicts, different concepts; methodology not applicable
	m	forester	1994-97	elaboration of base line studies and communal plans; planning,	increased credibility and interest from the side of the communities extension and administration	relation with grassroots organization, frequent shifts in personnel
	m	forester	1991-96	planning, extension, training, forest management, monitoring and transfer	forestry management plan and implementation of it; transfer of knowledge.	limited resources; limited durability; activities require strong social support
APT	m	advisor agriculture	1994-97	elaboration and supervision of projects; extension and organization	institutional reorganization; animal health plan	distrust by beneficiaries; dependence on external financing
ASONGS	f	nurse	1985-89	research in NGO performance in communities; organization of meetings; coordination; production of monthly bulletin; management of documentation centre	creation of network which expanded from 8 to 32 affiliated organizations; organization of work with NGOs; production and distribution of training material at Latin-American level	lack of efficiency and decisions by the managing directors of the network
CEDOIN	f	journalist	1987-89	organization of library; publication of journal	advice to trade unions, improved institutional planning	none
CIPCA	f	extensionist	1975-79	extension services, training in nutrition and youth education	partial; improved cooperation among women	distrust regarding the NGO; work in very remote communities
	m	advisor irrigation	1992-96	team coordination, elaboration of projects, planning; training and monitoring	introduction and organization of irrigation plan	focus too technocratic
	f	zootechnologist	1993-97	team coordination, elaboration of projects, planning, training and monitoring	livestock strategy at community level; good team work	some with the counterpart
	m	extensionist horticulture	1976-78	promotion of horticultural production, water supply	weak results	absence of counterpart, low priority with SNV

<b>Partner</b>	<b>sexe</b>	<b>profession</b>	<b>period</b>	<b>tasks and functions</b>	<b>results</b>	<b>problems and limitations</b>
	f	extensionist nutrition	1978–79	extension services in nutrition	none	no definition of function, weak relation with NGO and target group. Ideas did not coincide
CIDEM	m	social researcher	1991	research in relation NGO-grassroots organizations; publication	none	tense relations with NGO and team; lack of definition regarding the functions to perform
CIDOB	m	anthropologist	1994–95	coordination of project Sello Verde	local management of the forest; international recognition; certification process	difficult transfer and doubtful financial and organizational sustainability
CORACA-P	f	animal husbandry expert	1990	field work; formulation of zoo-technical programme; project formulation to SNV	none	lack of transparency in tasks; lack of coordination in team; deficient work attitude of team
	m	zootechnologist	1994–96	improvement of seed potato production and fodder crops; financial supervision; strengthening of grassroots organization; training	few; contributions to pasturing; base line methodology	geographic isolation, logistical restrictions, weak grassroots organization
	m	business administrator	1994–96	marketing assistance, training in administration; marketing of inputs	many; CORACA expanded and was strengthened and is example for other grassroots organizations; biannual planning and improved marketing of products	lack of resources, qualified personal and logistical support from the side of CORACA. Part time work in CORACA; additional tasks
ERBOL	m	radio communication technologist	1989–93	organization of training workshops for technical professionals; institutional assistance	many trainees; improved technical level in ERBOL; permanent audience	lack of tools; lack of vision by the directors; weak interinstitutional communication
FNMCB-BS	f	educational designer	1985–87	elaboration of training material; strengthening of the organization, research	few; didactical material was successful	grassroots organization very weak; many conflicts
Lavi Grande	m	teacher in carpentry	1974–77	formal education, management of carpentry workshop	training and financially self-supporting workshop	none

<b>Partner</b>	<b>sexe</b>	<b>profession</b>	<b>period</b>	<b>tasks and functions</b>	<b>results</b>	<b>problems and limitations</b>
IT	m	teacher in radio technique	1971-75	formal education	graduated trainees	weak administration of Institute
	m	teacher in mechanics	1972-73	formal education	trainees found employment	institutional problems
	m	process engineer	1973-77	formal education and training of national teachers	reorientation of the education	institutional instability
	m	administrator	1973-78	administration of the institution	graduated trainees were good professionals	financial problems of the Institute
	m	teacher in electricity	1973-79	formal education	transfer of knowledge; changes in educational system	none
HABITAT/CEPAAL	m	human geographer	1994	research, training, introduction of gender focus	integration of gender focus; applied and participative research	in practice advisor to the directors of the NGO; conflicts, lack of team, material
Warmi	f	social worker	1994-95	assistance to day-care centre	improved conscience among women	conflict with the directors of the NGO; lack of communication
SIDIS	m	historian	1986-91	organization of archive and documentation centre of the miners' union, assistance to union's school	archives and centre organized; transfer; sustainability	none; lacks financing

### Annexe 11. Partner organizations of SNV projects in sample

Name	NGO/Grass-roots org.	Area	Sector/subject matter	Objectives	Activities
CANOB	grassr. org	eastern lowlands	social, organization	institutional strengthening of Ayoreo communities	not specified, general support
APCOB	NGO	eastern lowlands; Santa Cruz	forestry, indigenous population	strengthening indigenous movement	strengthening indigenous sense of identity; legal defense of territories; protection of natural resources; poverty alleviation; training
CEPROMU	NGO	departments La Paz and Potosí	social and agriculture	promotion of women's organization	organization; agricultural production; marketing; popular education
COINCA	grassr. org.	department Potosí	agriculture and livestock; marketing	to promote integral development of communities; to improve primary services	training and assistance to agricultural production; forestry (nurseries); marketing
ICO	NGO	Valle Grande, Santa Cruz department	agriculture and livestock	strengthening of peasant organizations	support to peasant organizations; training
APT	grassr. org.	Andes departments	agriculture	strengthening of the organization	livestock, potato seed; wheat marketing, organization, bilingual education
CIDOB	grassr. org	eastern departments	social/indigenous people	improvement of socio-economic, political and cultural living conditions of indigenous people; protection of indigenous rights to territory and natural resources	sustainable forest management and exploitation; recovery of territorial rights
CORACA-P	grassr. org.	department Potosí	agriculture and livestock, unions	improve incomes; to strengthen peasant organization; to enable local management	agricultural and livestock extension services; marketing; community organization





## Annexe 12 Comment by the Viceministry of Public Investment and External Finance, in coordination with civil society organizations

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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.

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