

EVALUATION OF DFID COUNTRY PROGRAMMES

COUNTRY STUDY: Bolivia 2000–2004

Michael Flint
Susanna Rance
Lydia Richardson



EVALUATION OF DFID COUNTRY PROGRAMMES

COUNTRY STUDY: Bolivia 2000–2004



Michael Flint
Susanna Rance
Lydia Richardson

January 2005

Acknowledgements

This report has been prepared by an independent team from the Performance Assessment Resource Centre (the PARC¹) consisting of Michael Flint (Team Leader), Susanna Rance and Lydia Richardson. The team is very grateful to all those people who have provided support, information and comments.

The team was greatly assisted by the DFID office in Bolivia and by Nick York and Lynn Quinn from Evaluation Department. However, full responsibility for the text of this report rests with the authors. In common with all evaluation reports commissioned by DFID's Evaluation Department, the views contained in this report do not necessarily represent those of DFID or of the people consulted.

Front Cover: Mount Illimani (6,460m / 21,188ft) as seen from the DFID office.
Photograph by Michael Flint.

¹ www.parcinfo.org

CONTENTS

Acronyms

1.	Summary	1
2.	Introduction	5
3.	Context	7
	• Bolivia	7
	• DFID	9
4.	Programme quality	11
	• Strategy	11
	• Relationships	15
	• Portfolio	18
5.	Programme effectiveness	25
	• Results	25
	• CSP outcomes	30
	• CSP goal and purpose	32
6.	Development progress	35
7.	Conclusions and lessons	39

Annexes

A.	Terms of reference
B.	People consulted
C.	Bibliography
D.	Evaluation matrix
E.	Bolivia timeline
F.	Aid statistics
G.	DFID timeline
H.	Programme expenditure
I.	Project results
J.	Bolivia profile

ACRONYMS

BID	Banco Interamericano de Desarrollo
CAF	Corperación Andina de Fomento
CAP	Country Assistance Plan
CDB	Caribbean Development Bank
CdE	Comité de Enlace
CDF	Comprehensive Development Framework
CEDLA	Centro de Estudios para el Desarrollo Laboral y Agrario
CERES	Centro de Estudios de la Realidad Económica y Social
CG	Consultative Group
CIAT	Tropical Agriculture Research Centre
CIDOB	Confederación de Pueblos Indígenas de Bolivia
COSUDE	Agencia Suiza para el Desarrollo y la Cooperación
CPE	Country Programme Evaluation
CRS	Catholic Relief Services
CS	Civil society
CSP	Country Strategy Paper
DFID	Department for International Development, UK
DRIPAD	Food for Work Programme
EBRP	Estrategia Boliviana para la Reducción de la Pobreza (PRSP)
EITI	Extractive Industries Transparency Initiative
EvD	Evaluation Department, DFID
EU	European Union
FAM	Federación de Asociaciones Municipales
FCO	Foreign and Commonwealth Office, UK
FDTA	Fundación para el Desarrollo Tecnológico Agropecuario del Altiplano
FIT	Facilitating Innovative Technology
GNI	Gross National Income
GNTF	Grupo Nacional de Trabajo Participativo
GTZ	Cooperación Técnica Alemana
HIPC	Heavily Indebted Poor Countries
IBTA	Instituto Boliviano de Tecnología Agropecuaria
IDB	Inter-American Development Bank
ICO	In-Country Office
ICSD	Information and Civil Society Department, DFID
IFI	International Financial Institution
LACAD	Latin America and Caribbean Department, DFID
LAD	Latin America Department, DFID
MCS	Mecanismo de Control Social

MDG	Millennium Development Goals
MERCOSUR	Mercado del Conon Sur – Market of the Southern Core
MIC	Middle Income Country
MMWFP	Making Markets Work for the Poor
MNCS	Mecanismo Nacional de Control Social
MPP	Ministerio de Participación Popular
MTEF	Medium Term Expenditure Framework
NEDD	Negotiation, Dialogue and Deliberation Programme
NDI	National Democratic Institute
NGO	Non Governmental Organisation
NMR	Nuevo Marco de Relacionamiento
ONUSIDA	Joint UN Programme on HIV/AIDs (UNAIDS)
PAF	Poverty Alleviation Fund
PAP	Fundación Participación Ciudadana y Alivio a la Pobreza
PAHO	Pan American Health Organisation
PARP	Policy and Resource Plan
PER	Public Expenditure Review
PLWHA	People living with HIV/AIDs
PPA	Partnership Programme Agreement
PRI	Proyecto de Reforma Institucional
PRS	Poverty Reduction Strategy
PSAC	Programmatic Structural Adjustment Credit
RAP	Regional Action Plan
SAIC	Staff Appointed In Country
SENASAG	Servicio Nacional de Sanidad Agropecuaria e Inocuidad Alimentaria
SIBTA	Sistema Boliviano de Tecnologías Agropecuarias
SIF	Strategic Impact Fund
SNG	Sub-National Governance
UDAPE	Unidad de Análisis de Políticas Económicas
UDF	Unidad de Descentralización Fiscal
UN	United Nations
UNFPA	United Nations Population Fund
UNIR	Implementing Unit of the NEDD Programme
UNITAS	Unión Nacional de Instituciones para el Trabajo de Acción Social
UPC	Unidad de Productividad y Competitividad
VIPFE	Viceministro de Inversión Pública y Financiamiento Externo
WB	World Bank
WFP	World Food Programme

EXECUTIVE SUMMARY

S1 This is the report of an evaluation of the Department for International Development, UK (DFID) country programme in Bolivia between 2000 and 2004. Bilateral expenditure over this period, when DFID has been the eighth largest donor, amounted to around £37 million.

S2 The evaluation had three main objectives: to provide an account of the performance of the programme over this period; to derive lessons for DFID programmes in Bolivia, Latin America and more widely; and to refine and develop a 'light' approach to country programme evaluation (CPE).

FINDINGS

S3 This evaluation has used two main criteria for assessing the performance of the Bolivia programme: internal quality (strategy, relationships and portfolio) and external effectiveness (project results, influence and contribution to outcomes).

S4 The **internal quality** of the programme has generally been very good. Its strategy has, for most of the period, been clear, relevant and appropriate. The emphasis on rights and social inclusion was very timely and the emphasis on strategic engagement and harmonisation was correct. However, the objectives were too broad and over-ambitious relative to the resources available.

S5 The portfolio of activities was also generally appropriate and relevant, although activities were too widely spread and programme-level monitoring has been weak. Rights, gender and HIV/AIDs, while receiving focused attention in some initiatives and areas, have not been systematically mainstreamed .

S6 DFID has built up good working relationships with a wide and generally appropriate range of government, donor and civil society partners. Some of its relationships with civil society and some of the difficult issues it has been prepared to address, have created tensions with other partners. DFID was right not to be dissuaded by this and to continue working with a wider range of civil society than most donors. However, its choice of partners and its political judgement, has not always been sufficiently well informed.

S7 DFID's perceived strengths as a development partner far outweigh its weaknesses. It was generally perceived to be clear, committed, strategic, risk-taking, innovative, open, flexible and participatory. Its staff of knowledgeable, specialist and experienced advisers was a major asset. DFID was also criticised for the opposite attributes, but this was less frequent and related to different events, advisers or periods. The Middle Income Country (MIC) cuts in November 2003 have been damaging to DFID's reputation and have undermined some of the positive achievements made since 2000. The sustainability of the results achieved to date and of the programmes that have recently started, is a concern.

S8 DFID's **external effectiveness** has been more mixed. Its projects vary widely in their performance. Some of the smaller initiatives, particularly those funded by the Strategic Impact Fund (SIF), have been very successful. Some of the larger expenditures, such as

budget support, have been less successful. However, DFID has been extremely influential. One observer remarked that '*DFID has had more influence per dollar than any other donor in Bolivia*'. It has also played a very positive role in donor coordination and harmonisation.

S9 The difficult period since 2000, and more long-standing development constraints, have meant that progress towards outcomes has been limited, although social exclusion has diminished following civil unrest in 2003. DFID's contribution to these changes has been significant in some areas, but has been low overall because of the small size of the programme and the dispersal of its resources. DFID's objective of supporting the Poverty Reduction Strategy (PRS) was undermined by unforeseen events and a low level of national ownership. The Country Strategy Paper (CSP) goal of a sustainable change in state-society relations has not been achieved. A much longer commitment to Bolivia, and a more consistent effort from both government and donors, are required for significant progress in this area.

LESSONS FOR THE ANDEAN OFFICE AND THE REGIONAL ASSISTANCE PLAN

S10 The Regional Assistance Plan 2004-2007 (RAP) is, like the 2002 CSP, an ambitious document. However, a lot of what made DFID an influential partner during 2000-04 will be much reduced, or will fade away, from April 2005: balanced country-level relationships and experience with government, civil society and donors; some long-term sectoral engagement; significant bilateral funds; and a sizeable in-country office. This will be a significant challenge for the new DFID Andean office. There is a risk that DFID's bilateral presence and budget will simply be too small for DFID to be an effective player in relation to the IDB and WB in three countries.

S11 The evaluators conclude that Andean Office should start by working to one objective and one focal area in one country. DFID has to become a niche player. Given the emphasis in the RAP on poverty, inequality and social inclusion, it will need to work with a careful and wide selection of civil society partners, having developed a clear and sensitive political policy.

S12 The Inter-American Development Bank (IDB) and the World Bank (WB) are the focus of the RAP. DFID will need to be clearer than it was in the Bolivia programme about what it wants to achieve, how it wants to achieve it and how it can monitor this. To be effective, DFID may have to be prepared to be more independent and critical. Its strategy needs to focus on objectives not relationships *per se*.

S13 With fewer of its own resources, DFID will need to work better with other UK resources. It needs to build a better working relationship with the Foreign and Commonwealth Office, UK (FCO) and to maximize coordination with UK Non Governmental organisations (NGOs).

LESSONS FOR DFID

Development is a political process. Becoming more political, as implied by a rights-based approach, has significant implications for the way DFID operates.

S14 One of the positive influences of the DFID programme was a greater acknowledgement that development agencies and development discourse in Bolivia could not and should not be either neutral or solely technical. Reducing poverty and inequality means changing the balance of power in society.

S15 DFID needs to ensure that it is politically astute and well informed if it is going to pursue a more political approach. This has implications for staffing; for the use of political and stakeholder analysis and monitoring; and for joint working with the FCO. A more political, rights-based approach also has implications for relationships and harmonisation. A harmonised approach will almost certainly be a consensus approach. Closer harmonisation with some institutions may restrict DFID's ability to take a more radical and independent position.

Broader national ownership is more important than government ownership.

S16 Broad political and social ownership of the 2001 PRS was relatively weak despite DFID's efforts on consultation and the PRS is now recognised as being substantially donor driven. DFID's proactive role may have contributed to this. DFID has also shown a willingness to support new institutions that are not well rooted in either government or civil society.

S17 Greater awareness of the link between legitimacy and sustainability might make DFID reluctant to create and support donor-driven bodies and parallel institutions. Donor influence and leadership can sometimes contradict or undermine national ownership, as can the over-enthusiastic promotion of an international development agenda.

DFID needs to recognize the cost of change and plan better for it.

S18 One of the strengths of DFID is its flexibility and ability to change. This has costs as well as benefits. Because internal change is part of its institutional culture and will continue, DFID needs to plan better for it. Most strategies are rapidly overtaken by events or changes in DFID's policies and priorities. Spending less time and fewer resources on strategy development and more on strategy implementation and monitoring, might be appropriate. Placing a higher value on existing commitments, and allowing more time to implement policy decisions, might also make DFID a better development partner.

S19 The risks associated with changes to DFID's policies and priorities also need to be explicitly considered in programme planning. Given the uncertainty surrounding DFID bilateral programme in Latin America, it was perhaps unwise to embark on such a major expansion of and change to, the bilateral programme in 2000-02. Contributing to a significant change in state-society relations required a long-term commitment from DFID that was unlikely to be forthcoming.

A well-staffed country office was DFID's major value added.

S20 DFID had a relatively large influence with limited resources. A number of factors contributed to this, but the in-country office (ICO) was undoubtedly a major factor. Along with the SIF, the ICO was one of the most cost-effective development instruments. This was largely due to the quality and commitment of the ICO staff. This has a number of implications:

- i. If advisory staff were one of the most cost-effective development instruments, as they were in the Bolivia case, it makes little sense to discourage the use of this instrument by treating advisers as an administrative overhead.
- ii. Specialist and experienced staff with local knowledge and language skills are DFID's greatest asset. This often means locally engaged rather than UK/EU advisers. DFID also need to think of ways of encouraging longer postings and regional specialisation.
- iii. The Bolivia experience also highlights the importance of sectoral advisers with specialist skills and experience. DFID was valued most when it had these and least when it did not.

Sectors and projects matter. Country programmes need a mix of development instruments.

S21 One of the many strengths of the Bolivia programme was the way it changed from a portfolio of relatively isolated projects to a focus on strategic policy engagement. However, DFID was most valued in Bolivia when it had project and sector experience. As this was run down, so DFID began to lose the knowledge and experience to contribute with credibility and legitimacy to policy dialogue, although for most of the period its contribution was not diminished. In the longer term however, this will make it a less valuable partner to government, other bilaterals and the International Financial Institutions (IFIs).

S22 DFID used a wide range of development instruments in Bolivia: the ICO, SIF, co-financed and basket funded projects and budget support. While some were more successful than others, this diversity was a good thing. The lesson is that the appropriate mix of development instruments needs to be determined by local circumstances, as well as by corporate policy.

1. INTRODUCTION

1.1 This is the report of an independent evaluation of DFID's programme in Bolivia from 2000 to 2004. The evaluation had two broad objectives: to provide an account of the performance of the programme over this period and to derive lessons for DFID programmes in Bolivia, Latin America and more widely. The terms of reference for the evaluation are attached at Annex A.

1.2 This evaluation is the fourth in a series of pilot CPEs commissioned by DFID's Evaluation Department (EvD) over the past two years. A third objective of the evaluation was to refine and develop the methodology for CPEs. Specifically, the aim was to pilot a rapid and light approach involving a single two-week visit to Bolivia² and the production of a short evaluation report within one month. The evaluation team consisted of three independent consultants, assisted and accompanied by an EvD staff member.

1.3 The light approach means that this evaluation is based on three primary sources of evidence: consultations with past and present DFID staff; meetings with government, donor and civil society partners and consultants in La Paz (Annex B); and a review of existing DFID project- and programme-level evaluations and reports (Annex C). The limited quantity of DFID evaluation material means that this is not a meta-evaluation. No field or project visits were carried out, nor were any additional studies or investigations commissioned. Only a limited range of partners – mostly those that had been involved with DFID in some way – were interviewed. These and other limitations should be borne in mind when reading this report.

1.4 This evaluation has experimented with two main criteria for assessing the performance of a country programme: internal quality and external effectiveness. **Internal quality** covers those aspects of the programme that are largely or substantially within DFID's control: strategy, relationships and the portfolio of activities (including the in-country office as a development instrument). **External effectiveness** covers the results to which DFID has contributed at different levels (eg. project achievements, policy change, donor harmonisation). In keeping with the outcome focus of the 2002 CSP, an attempt has been made to assess DFID's contribution to intermediate and medium-term outcomes. The complete evaluation matrix, including the checklist of questions addressed, is included at Annex D.

1.5 The remainder of this report is structured as follows. Section 3 outlines the key features of the context (Bolivian, donor and DFID) within which the DFID programme in Bolivia has been designed and implemented. Sections 4 and 5 assess programme quality and programme effectiveness respectively. Section 6 assesses Bolivia's overall development progress. Section 7 presents the conclusions, lessons and issues emerging from the evaluation.

² A member of EvD made a short preparatory visit to the DFID office in La Paz.

2. CONTEXT

What were the significant features of the context in which the DFID country programme was designed and implemented?

2.1 The aim of this section is to outline the significant features of the context – Bolivian, donor and DFID – which are important for understanding the design, implementation and performance of the DFID programme in Bolivia. It is not an attempt to summarise the social, political, institutional and economic complexity of Bolivia, development assistance and DFID.

Bolivia

2.2 The political, social and economic context over the period 2000 to 2004 can be summarised in two words: difficult and changing. The period has seen four changes of governments, increasing political volatility and social unrest, declining economic growth, growing poverty and a persistently precarious fiscal situation. Change has been the only constant. A timeline showing the major developments is at Annex E.

2.3 Five specific features mark out the Bolivian context:

2.3.1 **Bolivia is the poorest country in South America.** Recent trends show a declining GNI per capita from US\$ 999 in 1999 to US\$ 890 in 2003. This is just above the threshold (\$ 766) for a Lower Middle Income Country. 14% (1.2 million) of the population subsist on less than US\$1 per day and 34% (2.8 million) on less than \$2 per day. Food intake was below the minimum requirement for 22% of the population in 2001³. With growth rates declining since 1998, poverty has increased.

2.3.2 **Bolivia is one of the most unequal countries** in one of the most unequal regions of the world. Poverty is particularly concentrated in rural areas and among the indigenous peoples who make up over half of the population. Discrimination against indigenous people and against women, is widespread.

2.3.3 Until 1982, Bolivia had a republican history of political upheaval and frequent changes of government with a series of *de facto* military regimes. The past two decades have been marked by an uninterrupted succession of democratically elected governments. Government decision-making continues to be dominated by a small, middle-class, urban elite. However, **civil society is highly organised** and brings constant pressure to bear on government decisions.

2.3.4 There has been an **upsurge in social and political unrest** arising from loss of confidence in traditional political parties; indignance at the levels of corruption, patronage, inequality and ethnic discrimination; discontent over privatisation and repressive coca eradication campaigns; scepticism about the 'Washington consensus' and impending free trade agreements; and opposition to the export of natural gas to the USA through a Chilean port. Conflict between government

³ DFID Statistics in Development, 2004

and popular movements reached a peak in October 2003, when the President was forced to resign and left the country following the killing of over 60 civilians. The current situation is fluid and uncertain.

2.3.5 Despite far-reaching economic and social reforms since 1985, the **economy remains vulnerable to external shocks**, as occurred in the late 1990s. These have led to lower economic growth, falling per capita incomes for all but the wealthiest in urban areas and to a **precarious fiscal balance**. The fiscal deficit reached 8.9% in 2002 and has been exacerbated by the under-costing of earlier reforms (such as pensions) as well as by the political uncertainties.

Development assistance

2.4 Bolivia is well known for the level of external assistance it receives and for the increased level of donor coordination. Its commitment to reform in the 1990s earned it strong support from international donors and financial institutions. In 2002 Bolivia received US\$ 482 million in bilateral aid and \$198 million in multilateral aid. This was equivalent to 9% of GNI⁴. While this has helped maintain the levels of social expenditure and public investment in face of economic shocks, it has also meant that Bolivia has become increasingly aid dependent. One-third of public expenditure and perhaps as much as 90% of social spending, is financed by external assistance. Annex F contains an OECD summary of external assistance to Bolivia.

2.5 Bolivia's reputation for aid coordination has some justification. In 1997 the government convened the first national dialogue – *Dialogo Nacional* – with civil society. In 1999 a new approach to aid policy and coordination, the *Nuevo Marco de Relacionamiento* (NMR), was published. Dialogue between government and donors was organised into a number of thematic groups and subgroups. A second national dialogue took place in 2000, the outcome of which was the Bolivian Poverty Reduction Strategy, *Estrategia Boliviana de Reduccion de la Pobreza* (EBRP), which was seen at the time as something of a model. The combination of the NMR, the EBRP and Bolivia's role as one of the pioneers of the Comprehensive Development Framework (CDF), provided a very favourable context for donor coordination.

2.6 Progress since then has been disappointing. Despite some positive moves towards harmonisation, external cooperation remains scattered and fragmented. Around 1,800 separate projects are being implemented with external funding from 36 donors. The demise of the EBRP is covered in Section 3. DFID's contribution to donor coordination and harmonisation is considered in Section 4.

DFID

2.7 In addition to coping with a rapidly changing environment in Bolivia, the DFID country team has also had to cope with rapid changes from within DFID. These have been of three types: corporate change, regional strategy change and changes forced by the cuts to middle-income country budgets. A timeline of the major DFID changes is contained at Annex G.

⁴ Table 1.9, DFID Statistics in Development, 2004. (UK£1 = US\$ 1.5)

2.8 The pace of corporate change within DFID that begun in 1997 has been maintained since 2000. There has been a near continuous process of policy, strategy, organisational and system change. The Second White Paper on International Development, published in December 2000, was followed by a strategy for support to MICs in November 2001⁵. These and many other changes have meant that DFID country teams have had to continuously adapt to changing priorities and procedures originating from London. While the Bolivia programme was somewhat insulated by its peripheral status within DFID, it was still affected by and had to respond to, these wider changes.

2.9 DFID's policy towards Latin America has been neither certain nor constant. Until 2004 there was no published strategy for Latin America, although DFID's Latin America and Caribbean Department (LACAD) had long pushed for one. This reflected wider doubts among senior management in DFID about the case for UK aid to Latin America and to MICs in general. In order to address this uncertainty, LACAD sought approval from the Secretary of State in August 2000 for a policy framework for Latin America⁶. This identified three priorities: pro-poor sustainable growth, equity/social inclusion and making government work for poor people. It did not, however, settle the issue among senior management. The MIC Strategy Paper represented a further, but ultimately unsuccessful, attempt to address these concerns. DFID bilateral aid to South America was in long-term decline as a percentage of its total bilateral aid to all countries. In the period 1997/8 to 2003/4 it declined from 2.1% to 1%.

Table1: DFID Aid to Bolivia, South America and All Countries⁷

	Bolivia £ m	South America £ m	South America %	All countries £ m
1997/8	4.4	21.5	2.1	1043
1998/9	4.4	22.0	1.9	1164
1999/2000	6.3	21.7	1.6	1330
2000/1	7.6	21.4	1.5	1426
2001/2	12.7	29.8	1.9	1533
2002/3	9.3	26.6	1.5	1822
2003/4	7.1	19.2	1.0	1972
Total 2000-2004	36.7	97.0	1.4	6753

2.10 In mid-2003 DFID's Latin America Department (LAD) - previously LACAD - started working towards a RAP. However, in November 2003 the UK government announced that, in order to increase DFID post-conflict aid to Iraq while still meeting its commitment to raising the percentage of bilateral spending on low-income countries to 90% by 2005/6, DFID needed to reduce its aid to MICs. This resulted in cuts to the Bolivia bilateral country framework of 18% for 2004/5 and 73% for 2005/6.

⁵ Eliminating Global Poverty: the Middle-Income Countries. DFID. 2001.

⁶ The Development Challenge in Latin America.

⁷ DFID bilateral aid to America (as opposed to Asia, Africa and Europe) is divided into aid to Central America, the Caribbean and South America. (Statistics on International Development, 2004).

2.11 The RAP was re-drafted, approved in draft in June 2004 and was finally published in October 2004. This takes a regional approach to working in Latin America, with less emphasis on 'stand-alone' country programmes and with a total regional budget of £7 million for 2005/6⁸. The purpose of the RAP is to enhance the impact of international community support for poverty reduction in Latin America, focusing primarily on the IDB and the World Bank. 2004/5 is intended to be the transition year away from country-focused programmes, such as the one in Bolivia. As from April 2005 the DFID office in La Paz will become the Andean office responsible for implementing the RAP in Bolivia, Peru and Columbia. The impact of the MIC cuts and the implications for the RAP, are considered later in this report.

⁸ This will include ongoing country specific activities in Bolivia and Brazil and regional activities in Central America. There is an additional £3.2 – £3.7m for the Nicaragua country programme within the Latin America Bilateral Programme and £9 m of other bilateral funds. This latter figure includes an additional £7m in MIC funding for UK NGOs working in Latin America and the Caribbean under Partnership Programme Agreements (PPAs).

3. PROGRAMME QUALITY

What was the quality of DFID's strategy, relationships and portfolio of activities?

3.1 This section assesses the internal quality of DFID's programme. It covers those aspects of the programme that are largely or substantially within DFID's control: its strategy, relationships and portfolio of activities.

Strategy evolution

3.2 DFID strategy in Bolivia has evolved through four distinct periods (Table 2). The first, as outlined in the 1998 CSP was directed at making a real impact on the livelihoods of poor people in two key areas: improved rural livelihoods and better health for the poor. The main instrument employed was 'stand-alone', geographically focused projects, a number of which continued into the period covered by this evaluation.

Table 2: The four strategy periods

Dates	Strategy	Purpose	Main approach
1998/9	CSP 1998	Contributing to sustainable improvements in poor people's livelihoods.	Technical cooperation projects in the natural resources and health sectors.
2000/1	Mini-PARPs ⁹ 2000 and 2001	Support pro-poor policies.	Strategic engagement with government, civil society and donor partners.
2002/3	CSP 2002	Support the implementation of the Poverty Reduction Strategy.	Policy engagement linked to joint resource transfers with donor partners and small-scale strategic support.
2004	CSP 2002 and RAP	Transition from country to regional programme (enhance the impact of international assistance for poverty reduction in LA).	RAP: working with the IDB and WB; improving donor harmonisation; improving regional analysis and lesson sharing.

3.3 The year 2000 marked a sea-change in DFID's strategy and approach. A senior social development adviser arrived in La Paz and shortly became the head of a larger in-country team and a new DFID office was established separate from the British Embassy. The CSP published in December 1998 was seen as out-dated and did not reflect the new strategic priorities for DFID's work in Latin America, as agreed with the Secretary of State in August 2000. Although the goal remained unchanged from the 1998 CSP, the approach changed dramatically. The medium-term purpose was to deploy the human and financial

⁹ Policy and Resource Plan (PARP)

resources of the ICO *‘in support of pro-poor policies in Bolivia, both through direct strategic engagement with public and non-government institutions and through seeking to strengthen the pro-poor focus and effectiveness of the policies and programmes of the international development community’* (Mini-PARP 2000/1). Sectoral technical cooperation projects began to be phased out in favour of joint programmes and strategic policy engagement with a wider range of government, donor and civil society partners.

3.4 Although nominally a new strategy, the CSP published in October 2002 was effectively the formal expression of the strategy that had been developed and implemented from 2000. By late 2001 the programme was moving away from mainly project-based interventions, was using a wider range of development instruments and was involved in policy dialogue at both sector and national levels.

3.5 2002 saw a continuation and consolidation of this approach, but was interrupted by two significant changes, one internal and one external. Internally, 2002 saw the planned departure of the head of office, a temporary head of office for three months, the arrival of a new head of office and a number of other staff changes.

3.6 Externally, the general election in mid-2002 resulted in an unwieldy and increasingly unpopular coalition government that was less open to influence from bilateral donors. Structural governance problems were exacerbated and growing protests from social movements were badly managed, with repeated violations of human rights. In February and October 2003, serious outbreaks of social unrest led to a new, non-party government.

3.7 By mid-2003 – less than one year after the publication of the CSP – LAD started talking about the need for a revision to the strategy in order to increase the focus on the IDB and the World Bank in line with the draft RAP. In November 2003 the ‘MIC cuts’ were announced.

3.8 The period following the MIC cuts was a very uncertain and difficult time for the DFID office and its partners. The reduced financial framework meant that existing project commitments had to be scaled back, a number of planned projects could not go ahead (notably Inclusive Citizenship) and office staff numbers needed to be reduced. Two advisers left for DFID jobs elsewhere. Office morale was understandably very low. On top of this, there was uncertainty over which strategy the office was working to: the CSP 2002, the RAP, or some transitional combination of the two.

3.9 The evaluators have assumed that the 2002 CSP represents the predominant strategy for the most of the evaluation period. It represents a reasonable approximation of the strategic intentions in the period from 2000 to 2002, guided the programme in 2003 and remained influential for the early part of 2004. The 2002 CSP and associated annual plans have therefore been used as the objective statement against which the achievements of the programme can be judged.

3.10 The main objectives of the 2002 CSP are summarised in Box 1 below. The key features of the strategy as formulated were as follows:

- a focus on supporting the implementation of the **PRS** in three areas: pro-poor growth, pro-poor governance and monitoring and evaluation of the PRS

- a strong **rights-based focus** to development and an emphasis on promoting the inclusion of excluded groups in all DFID work
- an emphasis on **policy engagement** linked to joint funding with multilateral and bilateral development partners
- small-scale **strategic support** to progressive state and civil society initiatives at national level
- **partnerships** with the international financial institutions and other multilateral agencies.

Box 1: Bolivia – Country Strategy Paper 2002

Goal:

State and society work together to achieve sustainable poverty reduction in Bolivia.

Purpose:

To support the implementation of the Poverty Reduction Strategy.

Cross-cutting perspective:

Empowering poor people to realise their human rights is the perspective through which we will implement our country strategy.

Outcome 1: Pro-poor Growth

Increased incomes for the poor through enhanced competitiveness and productivity, based on an enabling framework, strengthened capacities and adequate social protection.

Outcome 2: Pro-poor Governance

The empowerment of the poor, through enhanced participation of marginalised groups, particularly women and indigenous people, in decision-making at all levels of government, equitable access to public services and greater accountability of the state to all citizens.

Strategy assessment

3.11 DFID's strategy has, for most of the period, been clear, consistent and appropriate. It has been relevant and well aligned to the policies and priorities of both the Bolivian and UK governments. The emphasis on rights and social inclusion was highly relevant and timely and added an important new dimension to the development discourse. The stress on partnership and joint funding with other donors was correct. Except for the period since November 2003 - when its strategy has not been clear to its partners (or to itself) - DFID's strategy has been well communicated and understood.

3.12 With the benefit of hindsight, some aspects of the strategy may be questioned. The central plank of the strategy, if not the actual programme, was support for the PRS, approved in February 2001 and accepted by the IFIs in June 2001 for the purposes of HIPC II debt relief. The DFID office played a very active role in consultations around and in building donor support for, the PRS.¹⁰ Two national dialogues were held to discuss the PRS with civil society, both of which DFID supported.

¹⁰At the beginning of the PRS process in Bolivia and elsewhere, DFID was pushing participation and ownership more seriously than the World Bank. However in 2003 it was the World Bank and not DFID (nor the other bilaterals) that declined to accept the new PRS on the grounds that it had been insufficiently consultative.

3.13 DFID Bolivia was right to support the PRS as the key umbrella for its strategy, in line with its global policy. However, subsequent events have shown the PRS to be a much weaker and more flawed entity than DFID and most other donors assumed. DFID correctly identified some of the economic, institutional and political risks to the PRS, but probably underestimated these and other flaws. The PRS had too many priority areas and did not address the key structural issues which maintain poverty and social exclusion. Most significantly, broad political and social ownership of PRS was relatively weak and the PRS is now recognised as being substantially donor driven. This lack of country- rather than government-ownership made it easier for the new government in 2002 to reject what the former government had developed with donors. DFID and other donors have been criticised in some quarters for over-emphasising the PRS and for undermining national ownership by assuming such a proactive role.

3.14 The 2002 CSP presented a clear and coherent vision for an external audience. However, it suffered from three common failings. First, it failed to address 'legacy projects' which were still being implemented from the previous strategy period. It was more of a vision document for the future than a guide for how the existing programme should be managed. As in other DFID programmes, there is a tendency for older projects to be shoehorned into a new strategy where they clearly do not fit, or to be unfairly denigrated and closed down as fast as possible, rather than treated as important commitments with value in their own right, the exit from which needs to be carefully managed. On the other hand, maintaining older projects can delay the implementation of new strategic priorities. The specific question of whether the exit from the health and natural resources sectors and from implementation projects more generally, proceeded too far and too fast is addressed later in this section.

3.15 Second, the scale and breadth of the CSP ambition may be questioned. DFID wanted to address some extremely big issues (such as the failed relations between state and society) and to achieve two big outcomes (increased incomes and empowerment of the poor) with a relatively small commitment of staff and financial resources, in a country where historically it had had little presence or profile. It also intended to spread those resources over three areas (social inclusion, pro-poor growth and governance) and a multitude of government, donor and civil society partners.

3.16 And third, in common with all DFID strategies of the period, the CSP was a high-level strategic document that lacked a clear results framework setting out exactly what would be achieved by when. The published version of the CSP did not even have a time period, although by inference it was meant to extend until 2005. The first of these gaps was to a large extent plugged by the annual plans. A considerable amount of staff time was also spent in late 2002 on preparing a critical paths paper that was intended to link the vision of the CSP with specific priorities for DFID work. This exercise was only partially successful in focussing the programme.

Relationships

3.17 The DFID approach from 2000 onwards was based on the development and maintenance of relationships with individuals and institutions: government, civil society

and donor¹¹. This is what distinguished the approach from the previous period. Building relationships - and through them policy and programme dialogue - became the major activity of the enlarged in-country office. This section asks two questions: did DFID develop relationships with the right partners and how good were these relationships?

3.18 The DFID team has worked effectively to build and maintain good working relationships with a wide and generally appropriate range of government, civil society and donor partners. DFID widened the range of government partners beyond the natural resources and health sectors. It built up strong relationships with bilateral donors - especially the 'like-minded group' including Sweden, Denmark and the Netherlands -, the IDB, World Bank and UN agencies. Most significantly, it also worked with a wider range of civil society than have most donors. DFID is recognised as having taken on a vanguard role in supporting civil society organisations in a key period of conflict and political change.

3.19 Although DFID has engaged with a wide range of partners, it has obviously been selective. Equally, the existence of a relationship with one partner can adversely affect relationships with others. Three criticisms were made of DFID in this respect. First, some of the relationships DFID has developed with civil society and some of the issues it has sought to address, have created tensions with government, as well as occasionally with other donors and other factions within civil society. It is recognised that the pursuance of DFID's principles and objectives is more important than being popular with all partners.

3.20 The second and in some senses opposite, criticism made is that DFID has tended to work, as do most donors, with a narrow range of the more 'comfortable', 'elite', professional and accessible civil society groups. It has not directly engaged with rural or labour groups that genuinely represent the most excluded and discriminated sections of society. However, it is acknowledged that DFID did more than most to reach grass-roots organisations and work with less 'donor friendly' NGOs.

3.21 Third, in successfully building closer relationships with the IFIs and USAID, DFID runs the risk of undermining its credibility and independence as perceived by some sections of civil society and government. One informant said that DFID was not yet perceived as a partner of the World Bank and USAID, which was a good thing. A greater number said that DFID was becoming too aligned with the IFIs and was losing its separate identity in the process.

3.22 These criticisms highlight an important question: to what extent was DFID sufficiently politically aware and astute? This question is addressed in the concluding section of the report.

3.23 DFID's working relationship with the British Embassy has not always been as effective as it might have been. Individual relationships have sometimes been excellent, but differences over practical issues and development policy have meant that in general the relationship between the two offices has not worked as well as it might. Despite efforts in some areas such as corporate social responsibility, more could have been done to work together and to enhance the impact of UK policy and assistance. This is a relationship that needs to be worked at and prioritised, by both sides.

¹¹ The term donor is used loosely to include IFIs unless otherwise stated.

DFID's strengths as a development partner

3.24 Most of the interviews carried out during the evaluation were with individuals and organisations that had benefited in some way from their relationship with DFID (see Annex B). Although some criticisms were made, this may have resulted in a picture of DFID's relationships that is unduly favourable. That qualification aside, the general perception of DFID as a partner was very positive. DFID in Bolivia was perceived to be:

- clear and strategic
- highly flexible and timely in its support
- politically aware
- proactive, innovative and risk-taking
- prepared to raise contentious issues
- frank, open, straightforward and transparent
- committed to consultation, coordination and harmonisation
- process-orientated, democratic, trusting, non-imposing, empowering and participatory
- more accepting of government leadership than many donors
- less critical of the IFIs than some of the bilaterals
- staffed by knowledgeable, committed, specialist and experienced advisers
- part of a well-organised and intellectually credible international development agency.

DFID's weaknesses as a development partner

3.25 A number of criticisms were made. Some of these are the exact opposite of the above and were either made by different informants and/or relate to different events, periods or advisers. Some informants considered that DFID had damaged its relationships and reputation by:

- a lack of continuity and commitment to particular sectors, projects or issues
- being slightly arrogant and over-bearing with DFID tending to assume that its approach was right and better
- a theoretical approach that was insufficiently informed by practical project and implementation experience
- a high turnover of staff and short posting periods
- not always having specialist or sufficiently knowledgeable staff
- being politically naïve; taking risks without understanding the possible consequences
- having an insufficient or narrow knowledge of civil society and other potential implementation partners
- poor communication with government about its work with civil society.

- a willingness to support mechanisms which supplant or are parallel to government
- not always having a careful exit strategy from projects.
- imposing its project ideas on partners.

3.26 Some, but not all, of these criticisms either relate to, or were heightened by, experience since the MIC cuts in November 2003. This has been damaging to DFID's reputation and has undermined some of the positive achievements made since 2000. The fact that DFID raised so many expectations and built so many close working relationships has made its sudden decision to reduce its bilateral programme even more of a disappointment. This experience is bound to make some partners more sceptical of DFID's long-term commitment to Bolivia, the region and the particular issues that it has championed so effectively since 2000.

Portfolio of activities

3.27 A summary of DFID expenditure by sector (up to 2000/1) and by CSP component (2001/2 – 2003/4) is contained in Annex H. A timeline showing the major projects is contained in Annex G. Table 3 below presents a summary by CSP component.

Table 3: DFID expenditure by CSP component

	Bolivia £ m	Pro-poor growth %	Social inclusion %	Pro-poor governance %	Strategic %	Other %
2000/1	7.6					
2001/2	12.7	19	9	34	29	10
2002/3	9.3	10	11	70	1	7
2003/4	7.1	22	4	39	33	3
Total 2000 - 2004	36.7					

3.28 The original intention of the strategy from 2001 onwards was that DFID would work to two outcomes – pro-poor growth and governance - with rights as a cross-cutting perspective. However, it was decided in 2002 that social inclusion would become a separate component, with its own outcomes, activities and budget. The programme thus ended up with five components, each with its own results chain linking outcomes to activities:

- **Outcome 1:** Social inclusion
- **Outcome 2:** Pro-poor governance
- **Outcome 3:** Pro-poor growth
- **Outcome 4:** Monitoring and evaluation of the PRS and CSP
- **Outcome 5:** Human resources

3.29 A range of development instruments were employed within each CSP component: projects and programmes co-financed and basket-funded¹² with other donors; budget support; engagement by advisers based in the ICO, and small-scale projects funded from the SIF. The SIF was a small fund of around £350,000 per year managed under delegated authority by the ICO. It allowed the team to contribute flexibly and rapidly, or to build relationships and knowledge, in key areas of policy related to DFID's priorities.

3.30 Apart from budget support, all the instruments were available to support initiatives involving government and civil society. Experience with each type of instrument is reviewed in the next section (programme effectiveness).

Portfolio assessment

3.31 In general terms DFID's portfolio of activities was appropriate and relevant, both to the context and the strategy. Some of the activities built on past sectoral involvement (eg. *Sistema Boliviano de Tecnologías Agropecuarias* (SIBTA) and *Abrir Salud*). Others were responses to particular opportunities (eg. Electoral Support; NEDD/UNIR¹³), or to particular requests (eg. 2003 Budget Support; support for World Bank/IDB dissemination). The programme appears to have achieved the right balance between working strategically towards medium-term objectives and responding flexibly and quickly to shorter-term opportunities and requests. The SIF was a key instrument for the latter.

3.32 The effectiveness and efficiency of the various projects and initiatives is considered in the next section. This section asks the following questions:

- was the portfolio of activities sufficiently focused and coherent?
- were rights, gender, environment and HIV/AIDs adequately mainstreamed?
- was DFID's support designed and prepared in the right way?
- was the balance between sectoral and non-sectoral engagement and between projects and policy, right?
- has monitoring and evaluation been effective?

3.33 The scale of the ambition implied in the CSP compared to the limited staff and resources available has already been mentioned. A number of informants commented that the programme had ended up as being too thinly spread as a result. It was suggested that DFID had dispersed its impact by trying to do too many things with too many partners at too many levels. One person even said that there appeared to be too many 'isolated projects' that vaguely contributed to the CSP outcomes, which echoes DFID's own criticism of its pre-2000 'stand-alone' projects.

3.34 One change that may have contributed to the dispersal of effort (and to the lack of teamwork) was the decision to make social inclusion a CSP outcome in its own right, rather than a cross-cutting perspective. This change has also contributed to the fact that **rights and social inclusion** have not been mainstreamed across the programme as intended. Rights and social inclusion have been segmented off into a separate programme, much of which ended up not being implemented because of the MIC cuts.

¹² A basket fund is a fund contributed to by a number of donors and is controlled by a single organisation.

¹³ Negotiation, Dialogue and Deliberation Programme (NEDD)

3.35 The treatment of **gender** within the programme has varied. Some (but not all) features of a gender mainstreaming approach, defined in the 1995 Beijing Platform for Action and strengthened by the 1997 White Paper and Millennium Goals, were in place by 2000. The gender/equity/rights approach was implemented in DFID-supported health projects (IPAS post-abortion care and United Nations Population Fund (UNFPA) Contraceptive Distribution). From 2000 to 2002, greater priority was given to gender, rights and empowerment issues. However, DFID's participation in the Interagency Group on Gender waned with lack of a clear governmental proposal and was halted with the MIC cuts.

3.36 Gender has not been consistently mainstreamed across the three pillars of the CSP. The Social Inclusion pillar and some SIF projects have focused attention on gender equity, but this has been more sporadically addressed in the Pro-Poor Governance and Pro-Poor Growth pillars. The degree of effective attention to gender in different phases and areas has tended to depend on individual staff members' awareness and interest. Explicit responsibility for addressing gender issues has more often been (self-) assigned to female advisers in charge of the social inclusion pillar. Economics and governance advisers have sometimes implied a gender-neutral paradigm in their analysis, objectives and indicators. Gender mainstreaming requires specific indicators, strategies and efforts, with staff awareness training and joint planning, to ensure effective implementation of DFID policy and principles in this area.

3.37 **HIV/AIDs**, defined as a high priority theme for DFID since 2003, has not acquired the status of a cross-cutting issue within the programme. Bolivia is a 'low prevalence' country (with significant under-diagnosis) that has given insufficient attention to the prevention and treatment of HIV/AIDs and the rights of people living with HIV/AIDs (PLWHA). Most donor support has been epidemiologically focused on the surveillance of 'vulnerable groups', as in the DFID-supported Pan American Health Organisation (PAHO) project on Communicable Diseases. This 2000-2005 project includes a small HIV/AIDS component (\$US 600,000 out of the \$US 3,399,000 budget).

3.38 Attention to HIV/AIDS in Bolivia is increasing with financial and policy input from the Global Fund and the Joint UN Programme on HIV/AIDS (ONUSIDA), in whose Interagency Group DFID participates. DFID has given quantitatively modest but strategically appreciable support in this area and has cooperated on a regional initiative with the Brazil office. DFID recently supported a small SIF project (\$US 2,379) to strengthen the Bolivian network of PLWHA.

3.39 The RAP puts HIV/AIDS as its third main area, with a focus on improved quality and effectiveness of prevention, treatment and care in the region. This provides an opportunity for DFID to continue support in this area and to temper the epidemiological focus with a participatory rights approach. Mainstreaming will require specific strategies to raise staff awareness and programmatic commitment.

3.40 Natural resources and the environment were a major focus of the DFID programme in the late 1990s. As in DFID more widely, the **environment** has since dropped down the agenda within the Bolivia programme. Environmental Screening Notes have been completed where required.

3.41 There appear to have been two contrasting experiences of project design and preparation. The first, exemplified by *Comit de Enlace* (CdE), involved DFID supporting a process that had already begun and was owned by the Bolivians involved. The CdE process was described as open, process-orientated, non-imposed, empowering and participatory. The second, exemplified by NEDD, was rather different. Opinions are divided about what DFID did right and wrong, but there is a perception that this was a much more DFID-led process. Some say that DFID imposed its ideas in a rigid and traditional way, did not have a sufficient understanding of the local situation and did not manage the process well. DFID acknowledge that it was a difficult design process, but argue that there is now general appreciation of the value of the initiative and wide donor support for the foundation proposed (UNIR).

3.42 DFID had a long history of engagement in the natural resources and health sectors, largely in the form of 'stand alone' geographically focused projects. The shift of emphasis to national policy dialogue and more strategic engagement clearly implied some reduction in sectoral and project work. Did reduction proceed too fast and too far?

3.43 There has been some criticism of DFID's withdrawal from sectoral projects. Some of this is an understandable reaction to the loss of support by a long-standing donor partner, although there is a case for more careful exit strategies. There is also the more general criticism that DFID is less inclined to stick with and build upon long-term partnerships than are some other donors. But more widely than that, there is the question as to whether the balance between support for policy and support for implementation has been appropriate; and to what extent DFID can make a credible and legitimate contribution to policy dialogue in the absence of project experience?.

3.44 The evaluators conclude that, in the main, DFID has not suffered significantly from its withdrawal from sectoral projects during the evaluation period¹⁴. For most of the period DFID has had sufficient project links and experience and a sufficient number of able and experienced specialist advisers, to be able to make a real and valuable contribution to policy and programmes. There are, however, clear indications that DFID was and is in danger of getting this balance wrong and has, to some extent, been 'living off the capital' of previous sectoral engagement and project implementation experience. This issue is returned to later.

3.45 Compliance with formal monitoring and evaluation requirements at project and country programme level has been reasonably good. However, the quality of project-level reviews (process and product) is not as good as in some country programmes (eg. Brazil). There is also the more general problem that the requirements do not cover most of the instruments and initiatives used by this type of programme. They are either too small (less than £1 million) and therefore exempt from annual scoring and completion reports, or relate to non-project activities (eg. ICO and influencing). DFID has conducted some formal reviews where none was required, but most of these activities have not been subject to systematic monitoring or evaluation. More thinking is required about how to introduce some systematic but proportionate instrument-level monitoring and evaluation when much of the significant expenditure falls below the £1 million threshold.

¹⁴ The reduction in support for certain projects, such as SIBTA, since the MIC cuts is a separate issue (see earlier in this section)

3.46 Programme-level monitoring and evaluation has never really been developed. The idea of a social audit has not been implemented and monitoring of the CSP has been weak. Internal challenge and lesson learning has been reasonable, but possibly better in the first half of the period. More effort has gone into programme planning than into reflecting or reporting on what has been achieved. This evaluation is, for example, the first attempt to use and report against the outcome tables that have formed the basis of the annual plans. While DFID Bolivia has met all London's reporting requirements and commissioned a Country Strategy Review in late 2001, accountability to London and Bolivia could have been better.

4. PROGRAMME EFFECTIVENESS

What has the programme achieved and contributed?

4.1 This section assesses the achievements and contribution of the programme at three levels: results, outcomes and CSP goal and purpose. The results level includes an assessment of the different instruments (including the ICO) and of DFID's influence and contribution to donor coordination and harmonisation.

4.2 Assessing the achievements is difficult for three reasons. First, there is scant and uneven evaluation and review material for (a) more recent activities and (b) everything costing less than £1m. Second, assessing the impact of policy engagement, influencing and budget support - let alone DFID's contribution to outcomes - is inherently more difficult than for projects. And third, the light evaluation approach made it impossible to investigate instrument-level achievements in any detail. This assessment is strongly influenced by the judgements of DFID staff, plus a small number of other external informants. It is heavily perception-based.

Results

4.3 This sub-section looks at the results achieved by the projects/ initiatives supported by DFID; DFID's influence with different partners; DFID's contribution to donor coordination and harmonisation; and according to the different instruments used. These all involve near-term assessments. Medium-term assessments of progress against the outcomes set out in the CSP and associated annual plans are considered later.

4.4 Available information on project performance is contained in Annex I. Performance information is patchy (except for projects started in the 1990s) for reasons already explained. Projects started in the last four years vary widely in their performance. While recognising the limitations of the 'light' evaluation approach (see Introduction and earlier this section), Table 4 overleaf highlights some projects deemed more successful and less successful and identifies their main strengths and weaknesses.

Table 4: More and less successful projects 2000-04

More successful Projects / programmes	Comment
Comité de Enlace	Should benefit small producers. DFID identified potential early.
Defensoría	Real results. Successful example of government and civil society working together.
Electoral support government.	Important, well-targeted, timely but risky initiative. Bypassed
FAM ¹⁵	Good potential. Basket funded.
DRIPAD (WFP) ¹⁶	Political request. Increased income of some of poorest people.
Poverty Alleviation Fund (PAF)	Political request. Successful employment creation.
Less successful Projects/ programmes	Comment
PSAC ¹⁷	Low government capacity. Pressure to disburse from World Bank Washington and DFID.
Budget Support 2003	Political request. Lack of MTEF ¹⁸ and PER ¹⁹ . Overtaken by political events. Unnecessary for DFID influence.
GNT ²⁰	Important initiative, but not institutionalised. DFID should have addressed this problem earlier.
SIBTA	Basket funded but cumbersome. Not yet achieved expected results.

Influence

4.5 DFID's country strategy has had clear objectives. Rather than simply finding and funding its own projects - as might have happened in the past - DFID has very explicitly set out to change the policies and programmes of others (primarily government and donors) in a pro-poor, socially inclusive direction. It has sought to do this through a mix of financial support, dialogue and relationships, operating on the 'supply-side' (working with government and donors), 'demand-side' (working with civil society) and supporting mediatory spaces to help close the gap between state and civil society.²¹ The extent to which DFID has succeeded in changing debate, opinions, policy, implementation or institutions constitutes its 'influence'.

¹⁵ Federacion de Asociaciones Municipales (FAM)

¹⁶ Food for Work Programme (WFP)

¹⁷ Programme Structural Adjustment Credit (PSAC)

¹⁸ Medium Term Expenditure Framework (MTEF)

¹⁹ Public Expenditure Review (PER)

²⁰ Grupo Nacional de Trabajo Participativo (GNT)

²¹ Blackburn, J. and Rodriguez-Carmona, A. – Appraisal of DFID's influencing activities in Bolivia (2003)

4.6 There is no doubt that DFID has been extremely influential. As one observer commented: '**DFID has had more influence per dollar than any other donor in Bolivia**'. DFID has succeeded in inserting its views on rights and social inclusion into the donor agenda. It has on more than one occasion provided leadership through a SIF initiative and then persuaded other donors to follow, often into riskier and more controversial areas than they would have contemplated themselves. It has been influential in donor working groups, such as the one on productivity and competitiveness. And with other donors it has successfully lobbied government and IFIs to amend a policy or programme.

4.7 A number of factors explain why DFID has been so influential:

- strong leadership, tact, personality, professionalism and commitment
- a clear, appropriate, consistent and timely message
- a strategic and analytical approach
- rapid access to flexible funds.

4.8 In no case was DFID's influence associated with the size of its financial contribution. Small but timely and flexible contributions were generally the most welcomed and successful. The large financial contributions made by DFID, with the possible exception of DRIPAD and PAF, have been among the least successful. Most observers refute the argument that DFID's influence would have been significantly diminished if it had contributed smaller amounts to PSAC, SIBTA and budget support. It was the quality of DFID's people and ideas that was most valued.

4.9 Influence does have a downside. Criticisms of DFID's arrogance and assumed superiority have already been mentioned. Its partners would sometimes have appreciated a little more humility; a greater acknowledgement that there is more than one truth and that other people's ideas and programmes have value; and a greater willingness to listen and be influenced. Unfortunately, a more considerate and less pushy approach would probably have been less effective.

4.10 Influence can also undermine or contradict ownership. This may have happened with the PRS and the national dialogue and probably happened with NEDD. As regards the latter, DFID deserves credit for identifying and addressing the gap that existed in the area of conflict reduction post October 2003. Nevertheless, the more institutions and initiatives are seen to be the product of donor ideas and funds, the greater the risk to their legitimacy and long-term sustainability.

4.11 DFID has perhaps been less successful at influencing institutions than it has with influencing issues. DFID has cultivated good working relationships with the IDB and World Bank. Its financial and intellectual contributions are appreciated and both see DFID as a positive and not unduly critical partner. But, apart from a few positive instances²², it is less clear what DFID has changed or will change through this approach. Although it is too early to judge, there is a risk that DFID has just been a useful source of grant funds and legitimacy for the IFIs. 'Influencing' and 'working with' are not necessarily the same. A 'good relationship'

²² DFID staff mentioned better conditions in the IDB loan for productivity and competitiveness and the debate around participation and institution building in PSAC preparation.

can be just that. IDB and World Bank are past masters at managing relationships and saying the right things. Indeed, there is a perception among some observers that, in cultivating its relationship with the IFIs, DFID is moving closer to their position rather than the other way round. Who is influencing who?

Donor coordination and harmonisation

4.12 Since 2000 DFID has accorded high priority to improving donor coordination and harmonisation. DFID has been a very active player in the donor community, a key participant in government-donor working groups and has often taken a leadership role. It played a particularly important role in the 2000 dialogue and in influencing the donor community around the PRS.²³ It has also supported placements in the EC, IDB and WB offices.

4.13 While DFID has generally played a very positive role and showed itself to be serious about harmonisation, the fact remains that improvement since 2000 has been slight. There are still too many separate donor projects and donor coordination has sometimes been poor. For example, different donors (including DFID) have supported alternative social oversight mechanisms²⁴. As government has weakened since 2000 and particularly since the demise of the PRS, so harmonisation has become more donor than government led. Donors have moved into the vacuum, but in the absence of clear national or sectoral policies, harmonisation and alignment have become less effective. There have been some signs of improvement more recently.

4.14 Coordination among EU donors as a group remains weak, with many internal differences in approach. DFID and the like-minded group have been criticised for exacerbating these differences. DFID did, however, provide a social development adviser to the EC delegation. This secondment was much appreciated. It contributed to a more participatory country strategy design process in Bolivia and other Latin American countries and raised the level of debate within the delegation around governance and poverty issues.

Effectiveness of different instruments

4.15 The DFID office has employed a range of different development instruments: co- and basket-funded projects/programmes, budget support, the SIF and the ICO. Experience with the first two of these has been mixed. The poor experience of co-funding PSAC with the World Bank (and other donors) has led DFID to take a different and more separate approach with funding Sub-national Governance. Experience with the SIBTA basket fund has also been poor because of the complexity and number of partners. The basket fund for *Defensoria* has worked much better.

4.16 DFID has provided one tranche of **budget support** (£2 million) and has approved a second (£1.25 million) as part of a multi-year multi-donor fund. The 2003 budget support and two other large projects (DRIPAD and PAF), were approved by the Secretary of State in response to requests from the government. Other large projects, notably PSAC (£5 million) and the IDB social sector credit (£3 million), have had elements of direct fiscal support to government (but strictly speaking were not budgetary support).

²³ One informant said that DFID had 'whipped the donors into a consensus'

²⁴ DFID was the only donor to consistently support the MNCS.

4.17 Many donors and observers are sceptical about the use of budget/fiscal support in Bolivia in view of the high fiduciary risk and weak governance, although most donors have provided such support. Budget support has not been successful so far and with hindsight it is very doubtful whether it was appropriate. It has tended to be driven by political imperatives and was a high and probably unnecessary price to pay for goodwill and, at best, temporary influence. The current PRBS programme looks more promising, but is still high risk.

4.18 The **Strategic Impact Fund (SIF)** has, by contrast, been an excellent and relatively low cost innovation that has been copied in one form or another in a number of other DFID country programmes. It has enabled DFID to provide small and flexible amounts of 'risk capital' or 'seed funding' in a timely and strategic way. Support for FAM and for the development of competitiveness indicators are good recent examples. Not all SIF projects have been as successful. Some appear to have been rather ad hoc and not all have been followed up. These criticisms do not detract from the notable success of the SIF.

4.19 Much the same conclusion can be drawn regarding the **in-country office (ICO)**. Along with the SIF, the ICO can be seen as one of the most cost-effective development instruments in the Bolivian context. It has achieved significant influence with slightly less than 10% of the resources. This is largely due to the quality and commitment of the ICO staff and particularly the locally engaged advisers (SAIC). Their long-term knowledge and understanding of the Bolivian context has been a significant advantage.

4.20 Despite its merits, the ICO has not always worked as effectively and efficiently as it might. Staff turnover, unresolved tensions and strategy debates and the three separate programmes have meant that teamwork could have been better, particularly in the second half of the period. This, plus the amount of time spent at meetings in La Paz, the diminishing number of field projects, the narrow range of civil society partners and the very limited number of 'reality checks' outside La Paz, has led some people to suggest that DFID - like many other donors - is increasingly out of touch with grass-roots issues and reality.

4.21 The MIC cuts have been a hugely demotivating factor in the past year. Uncertainty over the future of the office and the bilateral programme and over the transitional strategy, have affected morale and, for some of the period 2003/4, reduced productivity. Much of this was probably an unavoidable consequence of the severity and suddenness of the MIC cuts.

Sustainability

4.22 There are real grounds for concern about the sustainability of the results achieved to date and about the programmes that have recently started. The much diminished country presence from April 2005 and the very limited budget, will make it difficult to maintain any momentum. DFID is valued for its country-level expertise and for its links with civil society. This will inevitably degrade under the RAP. DFID is leaving gaps - as in the case of inclusive citizenship or sexual and reproductive rights - that other donors are unwilling to fill. Two of its new programmes - Sub-national Government and NEDD/UNIR - will be critically dependent on the continuation of other donor support. The commitment of other donors to projects that DFID championed and designed and then passed on to them, may not be as enduring as hoped.

4.23 The cuts to the bilateral programme have also done more subtle damage to DFID's reputation, credibility and potential for influence. DFID achieved a high profile and raised many expectations in the period 2000 to 2003. To have come in so strongly, but then to have scaled back so quickly, is extremely damaging. The MIC cuts have not undone all the achievements of the first three years, but they have reduced the longer-term impact and influence of the DFID programme in Bolivia. DFID's standing as a reliable, committed and influential development partner has been diminished.

Outcomes

4.24 Achievements against Outcomes 1–4 are summarised in Table 5 overleaf. These use the indicators contained in the 2003/4 Annual Plan. Two assessments have been made: impact in Bolivia over the period 2000-04 and DFID's contribution to that impact. Both assessments use a simple four-point scale (high, medium, low and nil).

Table 5: Assessment of impact and DFID contribution by CSP outcome

		Impact	DFID contribution
Outcome 1	Social exclusion reduced	Medium	Low
	Understanding of the multi-cultural nature of exclusion increased	Medium	Medium
	Increased capacity of the excluded to aggregate and articulate their interests	High	Medium
	Increased state capacity to implement existing policies and legislation	Medium	Low
	Improved alliances within and between excluded groups	Medium	Medium
Outcome 2	Empowerment of the poor	Low	Low
	Increased state and civil society capacity to implement participatory approaches	Low	Medium
	Effective participatory governance at municipal level strengthened	Low	Medium
	Improved accountability and transparency of the state at national level	Low	Low
	Pro-poor policy making and budgeting	Low	Low
	More equitable access to high quality health services	Medium	Medium

Outcome 3	Increased incomes for the poor	Nil	Low
	Improved norms and regulations for productivity and competitiveness	Low	High
	Promoting alliances between government and enterprise	Low	Medium
	Increased use of the productive assets of the poor and access to markets	Low	Low
	Enabling the poor and their institutions to be economic actors	Low	Medium
	Reducing the vulnerability of the poor through establishing formal and informal mechanisms	Nil	Nil
Outcome 4	Monitoring and evaluation of the PRS and CSP	Low	Low
	Comprehensive information system to monitor the PRS established by GoB	Low	Low
	DFID Bolivia establishes a monitoring framework for its strategy	Nil	Nil

4.25 The judgements made in the above table are subjective and probably err on the generous side. The following conclusions can nevertheless be drawn:

4.25.1 Some progress has been made in Bolivia since 2000 in reducing **social exclusion**. Excluded groups, including the poor, are more assertive and influential post 2003 and social inclusion is now part of the public agenda. This coincides with the approach promoted by DFID.

4.25.2 Less progress has been made on **empowering the poor**. There has been a slight increase in the participation of some groups and the voice of indigenous groups is greater. Changes in government and in DFID policies meant that DFID impact in this area has been low.

4.25.3 **Incomes of the poor** have probably decreased. Much of this was due to external economic shocks and the historical legacy of a divided and unequal society. Contrary to the optimism surrounding the PRS, the keys to improving pro-poor growth are long-term and difficult to achieve.

4.25.4 Little progress was made in establishing a **monitoring system for the 2001 PRS**. The revised PRS was not accepted by the World Bank in 2003 and the next one is not due to be discussed until February 2005.

4.26 DFID's overall contribution to the above changes was low, although it did make a more significant contribution to some of the outputs, notably those related to social exclusion. The scale of DFID's impact was always going to be small because of its limited resources. In the opinion of the evaluators a more focused and less ambitious programme might have been more successful.

Progress towards the CSP purpose and goal

4.27 The goal of the 2002 CSP was that *state and society work together to achieve sustainable poverty reduction in Bolivia*. Its purpose was to *support the implementation of the Poverty Reduction Strategy (PRS)*.

4.28 The lack of progress with the PRS has already been covered. While DFID was right to support the PRS, it must take some responsibility for it being more donor- rather than country-owned. The PRS was too imposed and did not have sufficiently broad political and social support. This contributed to its subsequent collapse. DFID and most other donors, should have been more circumspect and realistic; more aware of the unresolved social, economic and political tensions; less inclined to push the agenda of the international community; and more conscious of the need for broader-based ownership if the PRS was to be of lasting importance.

4.29 The goal of the CSP stemmed from the diagnosis that the key problem blocking pro-poor change in Latin America is failed relations between state and society resulting from the region's post-Conquest history. This failure is manifested by the very high levels of inequality and exclusion in countries with middle-income status. This focus on supporting state-society relations was seen as bringing a strong additional element currently missing from the multilateral agenda.

4.30 This evaluation does not challenge this analysis. DFID did help to bring an important missing element into the debate in Bolivia. However, the degree to which DFID has contributed to bringing state and society together is difficult to assess. To the extent that DFID contributed to the government standing down in 2003 through its support for CdE and MCSN - two of the many groups which take credit for this - then DFID has contributed to the increased fluidity of relations which currently exists between state and civil society. But this is speculation and is not the sort of contribution that DFID would want to acknowledge.

4.31 A more robust conclusion is that, despite DFID's work to bring civil society and government together, the CSP goal has not been achieved. This will require a more consistent effort from both government and donors. While other donors are continuing what DFID started, DFID's contribution will have been reduced by the rapid contraction of the bilateral programme. DFID has been a minor, if at times high profile and catalytic, player since 2000. Contributing to a structural change for the long-term benefit of Bolivia requires a long-term commitment. Two to three high profile years are simply not enough.

5. DEVELOPMENT PROGRESS

What overall development progress has been made in Bolivia and what contribution has development assistance made to this?

5.1 CPEs also need to report on a third and higher level of performance: the country's overall development progress. While assessing DFID's individual contribution to change at this level is impossible, reporting on overall development progress is important. This is the collective goal towards which the development community, of which DFID is an active member, is working. Ultimately, it is performance at this level that matters more than does performance at the lower levels of programme quality and effectiveness.

Development progress

5.2 Available statistics suggest that Bolivia has made significant (but uneven) social progress as measured by health and education indicators. Annex J contains the latest figures on progress towards the MDGs. This shows, for example, a fall in the infant mortality rate from 87 per 1,000 live births in 1990 to 56 in 2002²⁵.

5.3 Bolivia has made limited sustained progress in reducing poverty. Even relatively high rates of economic growth during the mid-1990s (4.7%) did little to reduce poverty and income inequality increased. The negative economic shocks of the late 1990s, coupled with a 70% drop in coca production between 1998 and 2002, led to a fall in per capita income. This was most pronounced for the poorest in rural areas. Moderate and extreme poverty increased between 1997 and 2002 in rural areas and in Bolivia as a whole.

5.4 Much of the problem can be traced to the unfavourable initial conditions for development. Most have already been mentioned. Relevant features include a divided and inequitable society; a landlocked country with a poorly developed infrastructure, a dependence on subsistence agriculture (including coca production) and a large informal sector; a history of dependency on foreign aid and debt relief; and vulnerability to external economic shocks.

5.5 There have also been failures at the governance level. The striking success in developing strategic plans including poverty reduction strategies and other ambitious reforms and in gaining the confidence and resources of the international community, has not been matched subsequently by a capacity and commitment to implement reforms. The timing and financing of the reforms has been problematic. Over-optimistic estimates of economic growth, coupled with a failure by government and donors to adequately cost the package of reforms, have placed an increasingly unsupportable burden on government finances²⁶.

Aid effectiveness

5.6 In 2002 multilateral and bilateral donors provided the equivalent of \$570 for each of the 1.2 million people (14.4% of the population) living on less than \$1 per day (\$ 365), or the equivalent of \$219 for each of the 3.1 million people (34% of the population) living on less than \$2 per day. In 2003 donors provided 35% more aid per capita.

²⁵ World Development Indicators database, April 2004

5.7 The fact that so much aid is provided and yet so many people remain poor (and have recently become poorer), should challenge donors. It is true that, had there had been less aid, there would have been less progress in addressing basic social needs. International assistance has helped Bolivia maintain overall levels of investment to compensate for the collapse of private domestic investment; has helped contain the fiscal deficit; and may have helped prevent negative growth rates. In the process it has maintained a size of government that exceeds the ability of the domestic economy to support it,²⁷ the major direct beneficiaries of which are the urban middle class. What development assistance has not done is to significantly change the balances of power and structural inequality in Bolivia so as to reduce poverty, inequality and vulnerability.

5.8 Neither the high volume of external assistance, nor the reforms enacted in the 1980s and 1990s, have been able to prevent Bolivia's current difficulties. Indeed, some would argue that things are worse because of them. Simulations in a recent study using a general equilibrium model of the Bolivian economy support this view in respect of aid.²⁸ For example, they indicate that the impact of additional foreign aid is to raise national income but not on a sustained basis or sufficient to reduce inequality and poverty. The diagnosis given is that aid may be distracting resources from other activities (pulling human resources into the public sector and financial resources away from enterprise) and having negative macroeconomic effects such as the appreciation in the real exchange rate.

5.9 Anderson et al point to the need to focus on development activities and sectors (some of which the Bolivian government is now doing) that develop the productive capacity of the economy and reduce the scarcity of skilled workers; that ensure that public expenditure is focused on true public goods rather than on activities that simply substitute for other activities in the private sector; and that raise incomes among poorer groups in society rather than just the better off.

5.10 Another study (Klasen et al)²⁹ notes the close link between macroeconomic developments and incomes for the urban poor, while rural incomes were more affected by climatic conditions and the coca economy. Their policy recommendations focus more on 'win-win scenarios' such as reform of urban labour markets, tax reforms and development of the gas sector, combined with other measures aimed at the poor such as transfer programs, investments in rural infrastructure and micro-credit. However, none of these policy prescriptions are projected to deliver acceptable reductions in rural poverty.

5.11 Neither of these two recent studies provides much reason to be confident that aid has had a positive effect, or that prospects for a significant reduction in poverty are encouraging, with or without increased gas exports. The conclusion of the Klasen study echoes the point made earlier: 'sustained progress will only be made if the deep-seated economic, social and political inequalities in Bolivia are successfully addressed'. This is not something that official development assistance finds it easy or comfortable to address.

²⁶ Country Assistance Strategy, The World Bank (2004)

²⁷ World Bank, op cit p.9-10 (2004)

²⁸ 'The Effectiveness of Foreign Aid' Anderson et al (2003)

²⁹ Operationalising Pro-Poor Growth, Klasen, S. et al (2004)

6. CONCLUSIONS AND LESSONS

6.1 DFID's performance has varied by period and criteria. In the period 2000-02 it was a risk-taking, political, innovative and highly influential player. In 2003 it consolidated, continued to be a good partner, but became more of a consensus player with a greater emphasis on donor coordination and building relationships with the IDB and World Bank. In 2004, following the MIC cuts in November 2003, it has become more uncertain and understandably demoralised. In seeking to salvage what it could and to transit towards the new Regional Action Plan, its reputation has declined.

6.2 This evaluation has used two main criteria for assessing the performance of the Bolivia programme: internal quality (strategy, relationships and portfolio) and external effectiveness (project results, influence and contribution to outcomes).

6.3 The **internal quality** of the programme has generally been very good. Its strategy has, for most of the period, been clear, relevant and appropriate. The emphasis on rights and social inclusion was very timely and the emphasis on strategic engagement and harmonisation was correct. However, the objectives were too broad and over-ambitious relative to the resources available.

6.4 The portfolio of activities was also generally appropriate and relevant. However, activities were too widely spread and programme-level monitoring has been weak. Rights, gender and HIV/AIDs, while receiving focused attention in some initiatives and areas, have not been systematically mainstreamed and have lacked indicators across all the pillars of the CSP.

6.5 DFID has built up good working relationships with a wide and generally appropriate range of government, donor and civil society partners. Some of its relationships with civil society and some of the difficult issues it has been prepared to address, have created tensions with other partners. DFID was right not to be dissuaded by this and to continue working with a wider range of civil society than most donors. However, two types of criticism have been made regarding DFID's choice of partners. The first is a tendency amongst donors to work with more comfortable, less politically contentious, NGOs rather than with grass-roots organisations, trade unions and indigenous movements. It is acknowledged that DFID did more than most to reach grass-roots organisations and work with less 'donor friendly' NGOs. The second is that DFID's political judgement in its choice of allies has sometimes been inadequately informed. While a political decision to support certain groups will inevitably upset others – particularly those who do not share DFID's political opinion and willingness to take risks – these observations highlight the need to balance issues of broad representation and effective political leadership in selecting partners.

6.6 DFID's perceived strengths as a development partner far outweigh its weaknesses. It was generally perceived to be clear, committed, strategic, risk-taking, innovative, open, flexible and participatory. Its staff of knowledgeable, specialist and experienced advisers was a major asset. DFID was also criticised for the opposite attributes, but this was less frequent and related to different events, advisers or periods. The MIC cuts have been damaging to DFID's reputation and have undermined some of the positive achievements made since 2000. The sustainability of the results achieved to date and of the programmes that have recently started, is a concern.

6.7 DFID's **external effectiveness** has been more mixed. Its projects vary widely in their performance. Some of the smaller initiatives, particularly those funded by the SIF, have been very successful. Some of the larger expenditures, such as budget support, have been less successful. However, DFID has been extremely influential. One observer remarked that '*DFID has had more influence per dollar than any other donor in Bolivia*'. It has also played a very positive role in donor coordination and harmonisation.

6.8 The difficult period since 2000, and the more long-standing development constraints mentioned in sections 2 and 5, have meant that progress towards outcomes has been limited, although social exclusion has diminished following civil unrest in 2003. DFID's contribution to these changes has been significant in some areas, but has been low overall because of the small size and the dispersal of its resources. DFID's objective of supporting the PRS was undermined by unforeseen events and a low level of national ownership and it has made a limited contribution to a sustainable change in state-society relations (the CSP goal). Realising this goal would have required a much longer commitment to Bolivia and will require a more consistent effort from both government and donors.

LESSONS FOR THE ANDEAN OFFICE AND THE REGIONAL ASSISTANCE PLAN

6.9 The Regional Assistance Plan 2004–2007 (RAP) is an ambitious document. It lays out three objectives, the most important of which is to help the IDB and the World Bank better enable poor people to shape, participate in and benefit from (i) access to markets and international trade and (ii) accountable and responsive public sector management and political systems. The specific contribution of DFID will be '*to strengthen the focus on poverty, inequality and exclusion of IDB and World Bank operations and analytical work, facilitating (with international NGOs) greater participation and engagement by a wider range of stakeholders, deepening the political analysis underpinning their work and taking a rights-based approach to ensure the inclusion of a strong perspective on gender and race equity*'.

6.10 In the case of the new DFID Andean Office, these objectives are to be achieved with fewer staff and a much smaller budget spread over three of the Andean countries. All the lessons of the Bolivia programme suggest that this will be difficult. Much of what the programme has done well will be more difficult for Andean office. And much of what DFID Bolivia has done less well will be even more difficult. The Andean office will not have the staff, financial resources, or the local on the ground knowledge and involvement to be an effective player with respect to the IDB and WB in all three countries. In the opinion of the evaluators there are five lessons which can be drawn from the experience of the Bolivia programme for the implementation of the RAP:

- 6.10.1 DFID should concentrate on doing just one thing well. It has to become a niche player. The RAP mentions 3 objectives and two focal areas. The Andean office should start by limiting itself to the first objective and one focal area. Access to markets and trade may be narrower and therefore more manageable than public sector management and political systems. However, the first objective still covers a big agenda: poverty, inequality and social exclusion. Further focus will be required.

- 6.10.2 The Andean Office will not have the staff or financial resources to engage effectively with government, international NGOs and civil society in each country. This will make it less useful to and influential with, the IDB and World Bank. Spreading the resources thinly between all three Andean countries would be a mistake. The RAP focus is the IDB and World Bank, not countries. A better approach would be to focus on IDB and World Bank in one country (e.g. Bolivia) to start with.
- 6.10.3 Given the emphasis of the RAP on strengthening the focus of the IDB and World Bank on poverty, inequality and social inclusion, it will need to continue to work with civil society. While this is intended, little attention has so far been given to this in the RAP design. The Bolivia experience suggests the need for a more careful and wider selection of civil society partners and for a clear and sensitive political policy.
- 6.10.4 DFID needs to be clear about what it wants to achieve, how it wants to achieve it and how it can monitor this. Institutional and political mapping will be needed to make best use of limited resources. As part of this process DFID needs to think what this may imply in terms of a relationship with the IDB and World Bank. To be effective, DFID may have to be prepared to be more independent and critical. Its strategy needs to focus on objectives not relationships *per se*. For example, working with government and particularly civil society on the demand side might be more effective than working directly with the IFIs.
- 6.10.5 With fewer of its own resources, DFID will need to work better with other UK resources. It needs to build a better working relationship with the FCO and to maximize coordination with UK NGOs. The additional Partnership Programme Agreements (PPAs) with UK NGOs have a similar level of resources as DFID's regional programme (£ 7m per year). It is unfortunate that these PPAs have been set up by ICSD without the formal requirement for coordination with DFID in the region.

LESSONS FOR DFID

Development is a political process. Becoming more political, as implied by a rights-based approach, has significant implications for the way DFID operates.

6.11 Development is a political process, particularly where there is a long history of oppression, discrimination and exclusion and an active and organised civil society. By championing rights and social inclusion, DFID became more political. It was prepared to take risks. One of the positive influences of the DFID programme was a greater acknowledgement that development agencies and development discourse in Bolivia could not and should not be either neutral or solely technical. Reducing poverty and inequality means changing the balance of power in society.

6.12 It is one thing to recognise that you are a political actor. It is quite another to act in a way that is politically well judged. A number of people have observed that DFID occasionally took risks without a sufficient understanding of the implications and possible consequences. It was sometimes naïve and insufficiently well informed.

6.13 DFID needs to be aware that taking a more radical, innovative, political and rights-based approach can deliver significant benefits - as it did in Bolivia - but it also has significant risks. Taking risks with politics has potentially far more serious implications than does taking risks with conventional technical assistance projects. DFID needs to ensure that it is politically astute and well informed, and is able to judge carefully which power balances can and should be changed and the likely consequences of such changes. This has implications for staffing; for the use of political and stakeholder analysis and monitoring; and for joint working with the FCO.

6.14 A more political, rights-based approach also has implications for relationships and harmonisation. It may destabilise relationships with governments and donors who do not want to, or cannot, work to change the balance of power. Many donors do not want to take these types of risks. It may also work against harmonisation. A harmonised approach will almost certainly be a consensus approach. Closer harmonisation with some institutions – such as the IFIs which are mandated not to be political or to address human rights - will also restrict DFID's ability to take a more radical and independent position.

Broader national ownership is more important than government ownership.

6.15 Broad political and social ownership of the 2001 PRS was relatively weak despite DFID's efforts on consultation. Although there were some successful outcomes of the PRS which were not donor driven, such as the agreement between the municipalities over the allocation of HIPC resources, it is now seen as being substantially donor driven. DFID's proactive role may have contributed to this. The subsequent collapse of the PRS was hastened by the fact that government support did not signify a broader social base of support. Government ownership may only last as long as the government.

6.16 DFID has shown that it is aware of the difference between country and government ownership and has been prepared to support civil society initiatives against the wishes of government. However, DFID has also shown a willingness to support new institutions that are not well rooted in either government or civil society. More awareness of the link between legitimacy and sustainability might make DFID reluctant to create and support donor-driven bodies and parallel institutions. Donor influence and leadership can sometimes contradict or undermine national ownership, as can the over-enthusiastic promotion of an international development agenda, in this case PRS and HIPC.

DFID needs to recognize the cost of change and plan better for it.

6.17 One of the strengths of DFID is its flexibility and ability to change. Change is part of DFID's institutional culture. But this has costs as well as benefits. Change and flexibility is a double-edged sword: partners, programmes and staff both benefit and suffer from it. Other donors have long-running strategies, programmes and partners and recognize the value that greater continuity brings.

6.18 DFID is unlikely to stop changing. It could, however, plan better for change. The 1998 and 2002 CSPs - both of which were ostensibly three-year strategies - did not last more than one year before they were viewed as out-of-date and needing revision. Most strategies are inevitably overtaken by events or changes in DFID's policies and priorities.

Spending up to two years preparing detailed strategies that rarely last more than one year is not the best use of resources. The combination of an outline medium-term strategy with rolling annual plans might be preferable.

6.19 The MIC cuts were an unfortunate and damaging decision for the Bolivia programme, but could not have been foreseen. What might have been foreseen, however, was the likelihood that DFID's programme in Latin America would, sooner or later, come under renewed pressure from senior management. Given this uncertainty, it was perhaps unwise to embark on such a major expansion of and change to, the bilateral programme in 2000-02. Contributing to a significant change in state-society relations required a long-term commitment that was unlikely to be forthcoming. The risks associated with changes to DFID's policies and priorities need to be explicitly considered in programme planning.

A well-staffed country office was DFID's major value added

6.20 DFID had a relatively large influence with limited resources. A number of factors contributed to this, but the ICO was undoubtedly a major factor. Along with the SIF, the ICO was one of the most cost-effective development instruments. This was largely due to the quality and commitment of the ICO staff and particularly the locally engaged advisers.

6.21 This has a number of implications. If advisory staff were one of the most cost-effective development instruments, as they were in the Bolivia case, it makes little sense to discourage the use of this instrument by treating advisers as an administrative overhead. This will distort the allocation of DFID bilateral resources away from staff-intensive activities and towards finance-intensive activities. In the Bolivia case, the financially largest programmes (including budget support) have often been the least successful.

6.22 Specialist and experienced staff with local knowledge and language skills are DFID's greatest asset. This often means locally engaged rather than UK/EU advisers. DFID Bolivia was right to prioritise the employment of local advisers and other staff appointed in country (SAIC). UK/EU advisers still have an important role because of their greater knowledge of DFID and wider experience. However, their effectiveness is reduced by the short appointment periods (generally two years) and their consequent lack of local knowledge and language skills. While this is a particular issue in Latin America, it also applies in Africa and Asia. The more that DFID recognizes that it is a political actor and that this requires country-specific and region-specific knowledge and experience, the less appropriate it becomes to move generalists around the world on short-term postings. DFID need to think of ways of encouraging longer postings and regional specialisation.

6.23 The Bolivia experience also highlights the importance of sectoral advisers with specialist skills and experience. DFID was valued most when it had these and least when it did not. This is closely related to the issue of sectoral and project engagement (see below). Again, DFID was valued most when it had advisers who could speak with credibility from practical experience of sectors and projects and least when it provided general, theoretical contributions that were uninformed by local reality.

Sectors and projects matter. Country programmes need a mix of development instruments

6.24 One of the many strengths of the Bolivia programme was the way it changed from a portfolio of relatively isolated projects to a focus on strategic policy engagement. However, a wholesale shift to higher-level engagement and to the use of budget/fiscal support, can have a cost. As has been mentioned above, DFID was most valued in Bolivia when it had project and sector experience. Its 'people power' depended to a large extent on its field credibility, including its contacts with civil society. This in turn depended on some level of direct sectoral and project engagement, which DFID had historically acquired but had sharply run down. As this happened, so DFID began to lose the knowledge and experience to contribute with credibility and legitimacy to policy dialogue, although for most of the period its contribution has not been diminished. In the longer term, however, this will make it a less valuable partner to government, other bilaterals and the IFIs.

6.25 Sectoral and project engagement, as DFID maintained to some extent in the health and natural resources sectors, also provides important entry points and learning platforms, for policy dialogue. It is difficult to influence in a sectoral vacuum. Equally, in a country like Bolivia where the constraints have as much to do with implementation as with policy, to be disengaged from implementation is a major disadvantage.

6.26 DFID used a wide range of development instruments in Bolivia: the ICO, SIF, co-financed and basket funded projects and budget support. While some were more successful than others, this diversity was a good thing. The lesson is that the appropriate mix of development instruments needs to be determined by local circumstances, as well as by corporate policy. In the Bolivia case, the corporate preference for budget support was inappropriate. Similarly, civil service rules that treat advisers as administrative overheads will distort the mix of instruments away from staff to money. This would have been a much less effective mix for Bolivia.

ANNEX A

EVALUATION OF DFID COUNTRY PROGRAMME- BOLIVIA

TERMS OF REFERENCE

1. Introduction

1.1. DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. Following an NAO recommendation and a series of pilot studies, DFID is embarking on regular country programme evaluations (CPEs) to fit with the Country Assistance Plan cycle.

1.2. The first study is a CPE of DFID's work in Bolivia over the period 2000-2004. This will take place between September and December 2004. A note on the Bolivia country context is attached at Annex A.

1.3. A team of consultants and staff from Evaluation Department (EvD) will carry out the study. An EVD deputy programme manager will undertake a short planning visit in early October. The main field visit will be from 1-15 November by a team of 2 UK based consultants, a local consultant and an EVD economist.

1.4. Several features of this study are worth highlighting at the outset:

I) Timescale

The timescale for delivering this evaluation study is 3 months, to allow the report to be issued in December. This is a tight timescale. Meeting this deadline is critical and a key success criterion.

II) Scope

Given the 3 month timescale and the scale of the Bolivia programme, the study is as an opportunity to pilot a rapid and 'light' approach to country programme evaluation.

III) EVD involvement in the study team

Part of the aim of this project is to give new staff in EVD some direct experience of carrying out evaluations. They will contribute in planning, desk research, field visits and inputs to the report. However, the study remains an independent evaluation. Authorship of the report, final decisions on content and conclusions and editorial responsibility will rest with the managing consultant.

1.5. The detailed requirements for the consultancy work are set out in the rest of these terms of reference.

Objectives

1.6. DFID has increasingly targeted development assistance at the country level and decentralised the way it works. The logical next step is to evaluate at country level how well the programmes (as described in the CAP or its nearest equivalent) translate DFID corporate objectives into operational plans to reduce poverty.

1.7. The main objective of the CPE is to assess the country programme in terms of:

- The appropriateness of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives;
- The relevance of programme interventions given overall objectives (i.e. the cause and effect link between interventions and objectives), the governance and institutional setting and DFID's comparative advantage and human resource availability;
- The efficiency with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments and the quality of DFID as a development partner;
- The effectiveness of the overall programme in achieving intermediate poverty reduction outcomes and the systems for measuring and monitoring success;
- What can be said about impact and sustainability and at what level this occurs. What changes intended or unintended can be attributed to the interventions.
- How the programme mainstreams poverty, gender and environmental issues.

2. Scope of Work

a) Country Programme Evaluations

2.1. The purpose of evaluating country programmes is to strengthen the planning and delivery of DFID's development assistance and to enhance learning across different country programmes.

2.2. Since DFID's aid programme is only one of many factors contributing to poverty reduction, it is not practicable to focus the evaluation on measuring the direct impact of DFID's work on poverty. The main purpose of the evaluation is instead to assess what value DFID adds in the development process, including:

- the policy and institutional environment for the delivery of poverty reduction
- how well DFID operates in this environment; both in relation to government and other stakeholders.
- the appropriateness and relevance of DFID's behaviour and activities given the context in which it operates
- consistency with the country government's own policy objectives and international development objectives.

b) The Bolivia programme and context

2.3. Initial discussions with Bolivia office on the terms of reference have raised the following issues for consideration.

2.4. Since the publication of the 2002 Country Strategy Paper (CSP) there have been significant changes in both DFID's policy to development assistance in Latin America (and particularly Middle Income Countries) and in the context of Bolivia

2.5. The CSP was superseded by various iterations of the Regional Assistance Plan (RAP) for Latin America. No fewer than four different administrations have governed the country and the level of social conflict has increased significantly. This has affected both the enabling environment for DFID's work and the priorities of DFID and others in the international community.

2.6. Despite these factors, the CSP remained the guiding strategy document and the changes in approach, from isolated projects to an agenda geared at influencing (both directly and indirectly) other international agencies, set out in the CSP was actively taken up. It is therefore critical to undertake an assessment to the extent possible of the impact of DFID's work and its new approach.

2.7. This suggests that the study team should examine:

- Programme direction - does the country programme have a clear strategic direction? How does this relate to DFID's corporate objectives on the one hand and the country-specific environment on the other? How did the CSP cope with so many external shocks? What aspects did it stick to and which did it jettison and for what reasons? Were CSP inputs as initially envisaged fully realised?
- Choice of Instrument and objectives – Are there clear cause and effect links between the choice of development instrument and the country objective it is attempting to achieve?
- DFID as development partner – What is the nature and quality of DFID's partnerships and the degree of coherence with the country government and other development stakeholders? How do these different stakeholders perceive DFID as a development partner?
- Outcomes – To what extent has the DFID programme influenced the behaviour, policies, strategy and programmes of other donors/ IFIs? What would have happened if DFID had not engaged? To what extent has DFID contributed to changes in donor coordination and harmonisation and how sustainable are the outcomes achieved?

3. Suggested work plan

3.1. The work will proceed in 3 phases described below. The detailed project plan will be for the managing consultant to develop and agree with the Evaluation Manager and the Head of the Country Office.

a. Inception phase (Sep-Oct)

3.2. This phase will comprise desk research and a visit to the Latin America Department (LAD) in London and a planning visit to DFID Bolivia by an EVD deputy programme manager from 4-8 October.

3.3. The tasks in the inception phase include:

- Undertake initial telephone and/ or interviews with staff in DFID Bolivia, DFID Latin America and other key informants including DFID staff based in the Latin America Region.

- Identify key issues for the evaluation, including understanding the development environment and history of DFID's recent programme
- Gather relevant documents both internal and external and identify data sources
- Set up and plan the main field visit including consulting with local DFID staff and getting their support in drawing up an itinerary for the visit.
- Identify and engage a consultant locally as part of the evaluation team

b. Field visit to Bolivia (1-15 Nov)

A team of 2 consultants from the UK, a local consultant and an EVD economist will carry out the main field visit. The visit will last 2 weeks and will collect data and evidence, interview stakeholders and consult on initial findings.

3.4. This will include

- discussions with DFID staff in La Paz
- visits to government ministries, other donors, civil society organisations and any other relevant stakeholders such as the private sector. A visit to Santa Cruz may also be required to discuss issues around programmes involving local government in that area.
- a 1-2 day visit to DFID Peru in Lima to meet the head of office there regarding the Bolivia programme and to consider linkages and common issues between the Bolivia CPE and the ongoing review of the Peru programme.

3.5. The consultant will facilitate a workshop to discuss the emerging findings and to extract key lessons learnt for the implementation of the Latin America's Regional Assistance Plan (RAP)

c. Report (Nov/Dec)

3.6. The timescale for producing the final report is:

- draft report circulated on Friday 26 November
- receive comments on draft report 1 – 8 Dec
- final report goes to printers in w/c 13 December.

The report should be around 20-25 pages long (plus short annexes where necessary) and should be supplied formatted and edited for printing according to standard EVD style guidelines. It should include an Executive Summary suitable for stand-alone publication as an EVD evaluation summary.

3.7. The team should seek and take account of comments from the Head of Bolivia office, other key stakeholders in DFID and externally. This should be done using the Aide Memoire at the end of the field visit and once the draft report has been issued at the end of November. The final report should be discussed and agreed with the Evaluation Manager and the Head of EVD.

3.8. Where required, EvD will protect the independence of the evaluators and allow them to exercise final editorial control on the contents and conclusions of the study within these terms of reference.

d. Dissemination and publication (Dec)

3.9. A seminar for DFID staff and key stakeholders will be held in London and by video conference with DFID staff on or around 9 December. If possible, this should be a joint LAD event making links to the Peru review and the Brazil CPE pilot.

3.10. EVD will organise printing and distribution of the final report, starting in w/c 13 December.

3.11. To follow up the report, EVD will raise key findings at meetings with senior DFID staff in January 2005 and may involve the consultant team in that process if appropriate.

4. Methodology

4.1. The methods will draw upon the experience from the pilot CPE studies and the synthesis report.

4.2. A key output of the inception phase will be to develop and share with the country office an **evaluation matrix** showing domains of performance. This matrix will start to develop a methodology for a balanced scorecard approach to evaluating performance, including:

- Assessing DFID's delivery against intermediate development objectives. These will be agreed in advance and should be relevant to the PSA and MDGs, while taking into account the technical difficulty of measuring the impact on poverty of DFID's programme.
- Assessing how well DFID manages human resources and other supporting processes.
- Relate the outputs and impact to the size of the country office and scale of resources committed ('value for money')

4.3. This matrix will be used as a framework both for assessing the Bolivia programme and in future CPEs. It will provide a frame of reference for benchmarking performance across countries and for drawing together findings from different countries in an annual synthesis report.

5. Deliverables and timescales

5.1. The main deliverables, with indicative timescales and resources are shown in table 1. Detailed timescales and resources will be agreed in advance with the consultancy team at the start of the project.

Table 1: Deliverables

Deliverables	Timescale
Inception phase	September/October
Inception visit	4-8 October
Field visit & Aide Memoire	1-15 November
Draft report	26 November
Final report & executive summary	W/c 13 December
Seminar	9 Dec
Follow-up	January 2005

6. Resources and Skills Required

6.1. PARC will appoint a full-time managing consultant, a supporting consultant (both based in the UK) and a local national consultant to deliver the outputs described above. PARC in coordination with EvD will provide dedicated management support to the consultancy team, including logistical support and will be responsible for the timely delivery and quality of the evaluation outputs. PARC will also have responsibility for organising and facilitating in-country workshops and DFID seminars under the overall direction of the Evaluation Manager.

6.2. The managing consultant will have extensive evaluation experience, (including familiarity with how DFID works) a record of managing country/strategic level evaluations, strong written and oral communications skills and the ability to manage resources effectively including delivering to tight timescales.

6.3. The supporting consultant will have extensive evaluation experience, strong written and oral communication skills, fluency in Spanish and a good local knowledge of Bolivia and contacts in country.

6.4. Subject to agreement with the Head of EVD, total consultancy input will be around 100 days and EVD staff will provide a further 50 days of input to the project from an experienced economist/manager and a programme support officer who will contribute a range of analytical and administrative skills.

7. Conduct of the Work

This project will be seen as a test of EVD and the project team's ability to produce work that is relevant for DFID and timely. In addition to the normal lesson learning and accountability aims, it is essential that the CPE is delivered to agreed timescales, that country offices are closely involved in the planning of the study and that the final report is focused on issues relevant to the programme.

8. Links to other work

8.1. EVD staff will help provide links into two related studies as follows:

- i) An internal 'Reflection and Dissemination' review by DFID Peru, now underway.
- ii) An evaluation by the Belgian Ministry of Foreign Affairs of their programme in Bolivia, in early 2005

8.2. To link into the Peru review, the EVD economist on the study team will – during the field visit – undertake a brief visit to the Lima office. The head of the DFID office in Peru is also one of the people whose views should be sought on the Bolivia programme.

9. Reporting and contractual arrangements

9.1. The consultants will report to the Evaluation Department within DFID. The evaluation manager will be Nick York (Senior Economist and Head of Country Performance/Quality Assurance). Lynn Quinn (Programme Support Officer) will provide full-time evaluation and administrative support to the project.

9.2. The consultancy contract for the managing consultant will be let via the existing contract that DFID has with the PARC.

Evaluation Department, 29 Sep 2004

ANNEX B**PEOPLE CONSULTED****DFID and FCO**

Helen Appleton	LACAD
Jenny Amery	Health Adviser, LAD, DFID
Oscar Antezana	Economics Adviser, DFID Bolivia
Adam Behrendt	Governance Adviser, DFID Bolivia
Pippa Bird	Social Inclusion Adviser, DFID Bolivia, 2002-04
Sam Bickersteth	Head of Office, DFID Bolivia
Emma Donlan	Social and Economic Inclusion Adviser, DFID
Gerry Duffy	Head of LACAD, 2001-03
Rosalind Eyben	Head of Office, DFID Bolivia, 2000-02
Phil Harding	DFID Adviser seconded to the EC Delegation
Jason Lane	Health Adviser, DFID Bolivia, 2001-03
Mark Lewis	Head of Office, DFID Peru
Marienela Montes de Oca	Programme Manager, DFID Bolivia
Diego Muñoz Elsner	Livelihoods and Enterprise Adviser, DFID Bolivia
Jennie Richmond	Policy Division, DFID
Alexandra Soden	DFID Bolivia
William Sinton	British Ambassador, Bolivia
Gloria Suarez	DFID Bolivia
Richard Teuten	Head of LAD

Government

Marcel Barron Arce	VIPFE
Victor Hugo Bacarreza	VIPFE
Marina Cárdenas	ABRIR Salud
Marcelo Renjel	Viceministro de Descentralizacio Departmental
Diego Zavaleta-Reyes	Technical Secretary of National Dialogue

Donors and IFIs

Pablo Alonso	IDB
Liliana Ayalde	USAID
Simon Cueva	IMF
Peter de Haan	Netherlands Embassy
Luis Felipe Hartmann-Luzio	IDB
Eddie Linares	IDB
Connie Luff	WORLD BANK
Edgardo Mosquiera	WORLD BANK
Carlos Melo	IDB
George Gray Molina	UNDP
John Newman	WORLD BANK
Mogens Peterson	DANIDA
Andrew Standley	European Commission
Peter Tschumi	Swiss Agency for Development and Cooperation

Torsten Wetterblad
Oscar Viscarra
Edwin Vos
Victor Zamora
Marianella Zeballos

Swedish International Development Agency
UNFPA
European Commission
UNFPA
WORLD BANK

NGOs and Civil Society

Javier Gomez Aguilar
Antonio Aramayo Tejada
Michael Bennett
Sandra Charity
Andrew Croggon
Hugo Fernandez
William Farrand
Francisco Herrero
Martha Lazo Suarez
Rosario Leon
Stephen Lewis
Anna Malavisi
Jimena Diez de Medina
José Pinelo
Cesar Rojas
Fernando Rodriguez
Ana Maria Romero

CEDLA
UNIR
FAM
WWF UK
Christian Aid
UNITAS
Catholic Relief Services
NDI
MDCS
CERES
International HIV/AIDs Alliance
International Service
MDCS
Comité de Enlace
UNIR
UNITAS
UNIR

Consultants

Juan Carlos Aguilar
Robert Anderson
James Blackburn
Ann Chaplin
Javier Aguilar Perales

Strategy Adviser for Government Reform
Team Leader, World Bank Country Evaluation
Consultant
Civil society consultant
Strategy Adviser for Government Reform

ANNEX C

BIBLIOGRAPHY

General Background

World Bank (Jan 2004) Country Assistance Strategy for Bolivia

European Commission (2001) Summary of EC CSP 2001-2006

United Nations (2004) Millennium Development Goals: Progress in Bolivia

Economic Intelligence Unit (EIU) (2003) Country Profile: Bolivia

EIU (2004) Country Profile: Bolivia

EIU (1999-2000) Country Profile: Bolivia

EIU (2000) Country Profile: Bolivia

EIU (2001) Country Profile: Bolivia

Bolivia Background

Gray Molina, George (June 2004) Ethnic Politics in Bolivia: 'Harmony of Inequalities', 1900-2000. Preliminary Draft.

Gray Molina, George (November, 2004) Presentation entitled (translated from Spanish) 'Exercise in aligning external finance – disbursement portfolio'.

Gamarra, Eduardo (June 2003) Conflict Vulnerability Assessment of Bolivia. Latin America and Caribbean Centre, Florida International University, USA.

UNDP Bolivia Human Development Reports 1995 -2004

Stephan Klasen y Melanie Grosse (University of G ttingen) & Rainer Thiele, Jann Lay, Julius Spatz y Manfred Wiebelt (University of G ttingen)

Rainer Thiele, Jann Lay, Julius Spatz y Manfred Wiebelt (Kiel Institute of World Economics) (October, 2004). 'Pro-poor Growth: From Theory to Practice, Bolivia'. Presentation of research paper sponsored by KfW, the World Bank, the French Cooperation and DFID.

Antezana, O (November 2004) Operationalizing Pro-poor Growth: Comments on the final presentation. (see above).

Aid and Development

Anderson, L.E. & Evia, J.L. (2003) The Effectiveness of Foreign Aid in Bolivia. Final report of a study financed by DFID and the Spanish Embassy.

Klasen, S. et al (2004) Operationalising Pro-Poor Growth

CDF principles and progress

World Bank (1998) Comprehensive Development Framework

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS0,,contentMDK:20120725~menuPK:41387~pagePK:41367~piPK:51533~theSitePK:40941,00.html>

World Bank (July 2001) Implementation of CDF principles, Country Assessments (World Bank web site).

PRS

UDAPE (December 2002 and August 2003) *Estrategia Boliviana de Reducción de la Pobreza: Informe de Avance y Perspectivas*, (Bolivian Strategy for Poverty Reduction, Paper on Advances and perspectives). La Paz.

Ministry of the Presidency, Govt of Bolivia (August 2003) Presentation of the Nacional Dialogue 2003. La Paz.[explanation of trends of poverty, government of Sanchez de Lozada's steps to reduce poverty and ensure economic growth through small and medium enterprises and composition of civil society and government 'directorío' for the planned national dialogue.]

Republic of Bolivia (2003) Revised Bolivian Poverty Reduction Strategy 2004-2007. Proposed Strategy for National Dialogue 2003.

UDAPE (April 2003) Critical Path for Revised Bolivian Poverty Reduction Strategy 2003-2007. Presentation.

Eyben, Rosalind (forthcoming) 'Who Owns a Poverty Reduction Strategy?: A Case-Study of Power, Instruments and Relationships in Bolivia'. In L. Groves and R. Hinton (eds). *Inclusive Aid: Changing Power and Relationships in Internatinoal Aid*. London: Earthscan.

Institute of Social Studies (ISS). (December 2003) Evaluation and Monitoring of Poverty Reduction Strategies in Latin America. The Bolivian Poverty Reduction Strategy: Yet Another Brilliant Idea. Executive Summary, Country Report, Bolivia. Project financed by Swedish International Development Cooperation Agency.

Kristin Komives (ISS) Juan Carlos Aguilar (*SAXgr*) (November 2004) 'Reducir la Pobreza y Crear Riqueza en Bolivia: Cuál es la contribución del 'Proceso PRSP'?

Kristin Komives (ISS) Juan Carlos Aguilar (*SAXgr*) Et al. (November 2004) Reduce Poverty and Create Wealth in Bolivia: The contribution of the 'PRSP Process – Executive Summary' Draft (Title translated from Spanish).

DFID policy papers

DFID (2000) Target Strategy Paper (TSP) Realising Human Rights for Poor People

DFID (2002) Institutional Strategy Paper (ISP): Inter-American Development Bank (IDB)

DFID (2001) Eliminating Global Poverty: The Middle-Income Countries

DFID (2004) Achieving the MDGs: the Middle Income Countries

DFID (2000) ISP: World Bank Group

DFID (2000) ISP: UNDP

PRS related documents

Government of Bolivia (2001) Estrategia de la Reducción de la Pobreza

DFID (March 2001) Bolivia PRS Update

World Bank (March 2002) HIPC Initiative. Status of Country Cases

World Bank (Sept 2004) Board presentations of PRSP documents

Eurodad PRS Watch (October 2003) The IMF and the Bolivian Crisis

Eurodad PRS watch (June 2001) Civil Society Organisations in Bolivia's position paper on Bolivian PRSP sent to directors of WB and IMF

Richardson, L with Coyle, E.(October 2002) PRSP Synthesis Note 5: Experience with Poverty Reduction Strategies in Latin America and Caribbean. ODI

WB (June 2002) Timing of PRSP and HIPC processes for LAC HIPC countries and HIPC country stats

Catholic Relief Services (December 2001) Review of the PRSP initiative based on experiences in Bolivia, Honduras, Zambia and Cameroon

Human Rights in DFID

Piron, L-H and Watkins, F (July 2004) DFID Human Rights Review. A Review of How DFID Has Integrated Human Rights into its Work. ODI

Documents relating to LAD/LACAD

DFID (2001) Matrix Describing Participatory Processes per Country

DFID (Desmond Curran – Head of LACAD) (August 1998) Note of Consultation meeting on Latin America

DFID (July 1998) Notes from meeting with DFID on their strategy papers for LAC

DFID (November 1999) LACAD in-week conference

DFID (Jos Wheatley) (August 2000) The Development Challenge in Latin America

DFID (May 1999) Working with civil society in Latin America DRAFT

DFID (March 2001) LACAD draft Logframe

DFID (December 1997) LACAD policy and resource plan 1998-2001

DFID (2001) DFID's Role in Latin America: Discussion paper for the three country workshop in Sao Paolo 15-17 August 2001

DFID Statistics

DFID (2004) Statistics on International Development 1999/2000 – 2003/4

Project related:

Social Control Mechanism

Mecanismo departamental de control social (MDCS) Informe de gestion

Mecanismo de control social (MCS) 'Seguimiento a la estrategia Boliviana de reduction de la pobreza (EBRP) la Iniciativa HIPC y su impacto en el sector salud estudios de casos. Bolivia 2003.

MNCS: Cuaderno Informativo No 3. Febrero 2004. Se inicia la Fase I – Pre-Diálogo el resultado serán las estrategias productivas integrales – EPI de las organizaciones sociales. Serie: Diálogo Nacional 2003.

MNCS: Cuaderno informativo No 2 Dec 2003 – enero 2004. Hacia el Pre-Diálogo de las organizaciones de la Sociedad Civil. Serie: Diálogo Nacional 2003.

www.dialogo.gov.bo

FAM

Programa Operativo Anual Consolidado Mayo 2004, Abril 2005. Sistema Asociativo Municipal. FAM-BOLIVIA.

SIF related

DFID (2002-2003) and (2003-2004) Annual Reports on Strategic Impact Fund

DFID Bolivia (Sept 2001) Strengthening the capacity of in-country consultants to contribute to Bolivia's pro-poor policy goals. OPR meeting.

DFID Bolivia (October 2000) Project Document Strengthening the capacity of in-country consultants to contribute to Bolivia's pro-poor policy goals.

MIRROR

Blackburn, J (Dec 2000) In Support of the Bolivian Institutional Pillar – Decentralisation and modernisation of the state: A concept Development Paper for enhancing a vertical accountability through the right to information – synthesis report.

Capacity of In-country consultants

DFID (Oct 2000) Project Document – 'Strengthening the capacity of in-country consultants to contribute to Bolivia's pro-poor policy goals.

DFID (Sept 2001) OPR 'Strengthening the capacity of in-country consultants to contribute to Bolivia's pro-poor policy goals (Project budget US\$160,000).

Consultants' reports

Blackburn, J. and Rodriguez-Carmona, A. (2003) Appraisal of DFID's influencing activities in Bolivia.

Chaplin, Ann (August 2002) Identificación de lecciones tomadas desde comunidades y municipios rurales para orientar el trabajo sectorial y pol'ticals en areas de estrategias sostenibles de medios de vida, protección social y descentralización. Informe final. A pedido del DFID en coordinación con CARE Bolivia, PMA-DRIPAD, SNV

Chaplin, Ann (Jan 2003) Perceptions of crisis situations in rural areas of Chuguisaca and Potos', coping mechanisms and liveihood strategies. Field study carried out for DFID with participation of WFP, SNV and CARE.

PSAC

DFID (January 2004) Project Completion Report

DFID (undated, 2003?) PSAC Lesson Learned

External Evaluation (undated) Evaluation of PSAC I: Support for Decentralisation

DFID (January 2000) Project Header Sheet PSAC

DFID (July 2001) Project Memorandum PSAC Support to Strengthening Decentralisation Reform in Bolivia

World Bank (June 2004) Implementation Completion Report on a credit of US\$ 60 million to the Republic of Bolivia for a Programmatic Structural Adjustment Credit for Decentralization.

Sub-national governance

DFID (Adam Behrendt) (June 2004) Bolivia Sub National Governance 2004 Programme Memorandum and budget.

Health Sector Reform

World Bank (June 2004) Implementation Completion Report on a credit of US\$ 17.8 million to the Republic of Bolivia for Health Sector Reform Project.

Comité de Enlace

Agenda 2002, Comité Nacional de Enlace De Organizaciones de Pequeños Productores.

María Elena Canedo (December 2001) Framework of support for Comité de Enlace of small producer organisations.

Larrazábal C, Hernando and Oporto C., Daniel (August 2004) Final Consultancy Analytical Report: Towards a sub-regional platform making markets work to benefit poor people. Phase 1: Evaluation.

ANNEX D

BOLIVIA : COUNTRY PROGRAMME EVALUATION MATRIX

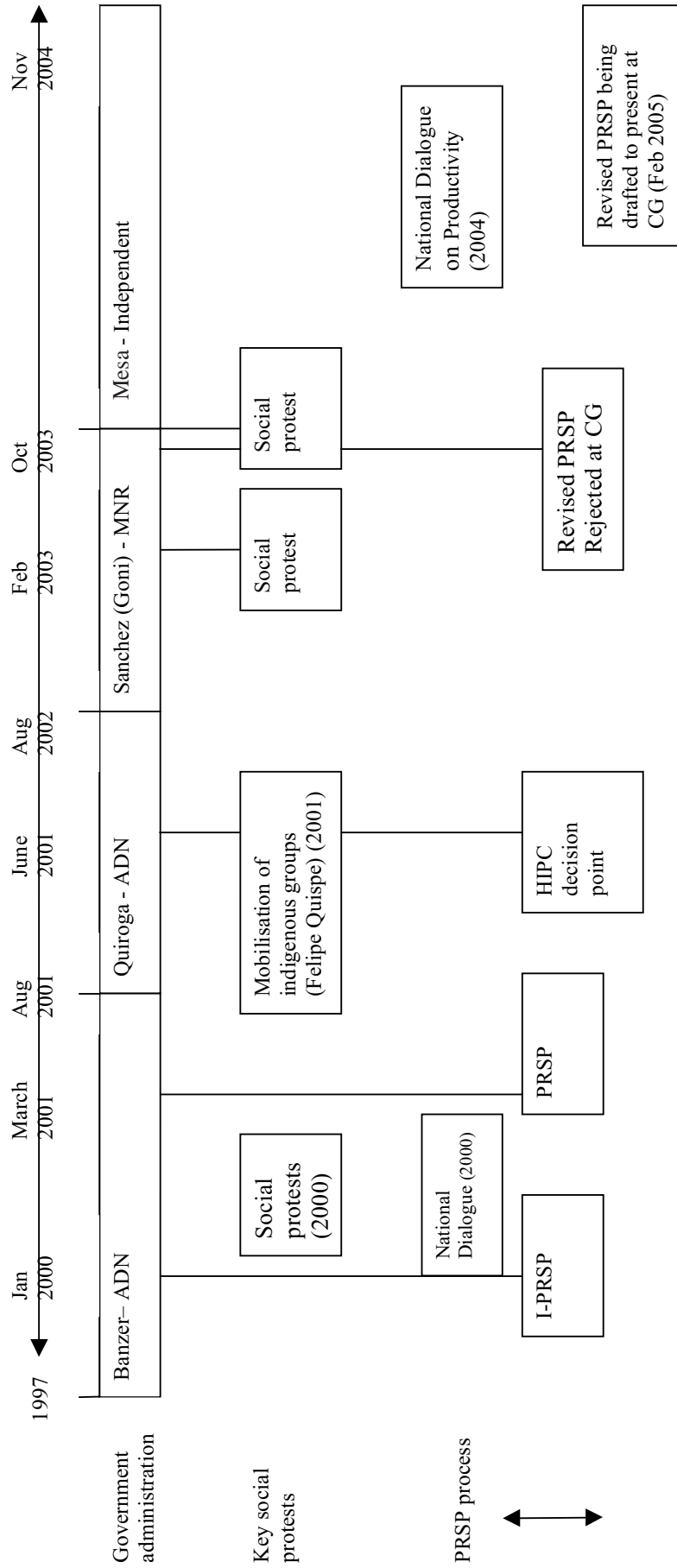
CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
1. CONTEXT: what were the significant features of the context in which the programme was designed and implemented?		
1.1 Bolivia 2000-2004		<ul style="list-style-type: none"> • Timeline and significant features.
1.2 DFID 2000-2004		<ul style="list-style-type: none"> • Timeline and significant features.
2. PROGRAMME QUALITY: what was the quality of DFIDs programme and process?		
2.1. Strategy	<ul style="list-style-type: none"> • Was DFIDs strategy(s) right? 	<ul style="list-style-type: none"> • Summarise evolution & content • appropriately harmonised with and communicated to, other donors? • clear, results-focussed and monitorable? • relevant, appropriate and aligned to context/PRS? • consistent with DFID policy? • adequate consultation with and communication to govt, CS and INGOs? • ID key partners and change over time • general approach to influencing • DFID – government • DFID – civil society • DFID – bilaterals • DFID – multilaterals • DFID – FCO • DFIDB – LAD & Peru
2.2 Relationships	<ul style="list-style-type: none"> • was DFID a good development partner? • Did DFID pursue 'influencing' in the right way? 	
2.3 Activities	<ul style="list-style-type: none"> • Did DFID implement the right portfolio of activities and instruments? • Did DFID appropriately balance its support for government and civil society? 	<ul style="list-style-type: none"> • financial and staff inputs by CSP outcome and instrument • justification for activities and instruments by outcome • mainstream gender? • mainstream environment? • Mainstream poverty? • Mainstream HIV/AIDS • harmonised with other donors?

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
		<ul style="list-style-type: none"> • cross-cutting rights-based approach? • government ownership? • civil society ownership? • Balance between govt. and CS? • M & E of initiatives and instruments?
<p>3. PROGRAMME EFFECTIVENESS: what has the programme achieved?</p> <p>3.1 Results</p>	<ul style="list-style-type: none"> • To what extent have 'project'-level objectives been achieved at output and purpose level? • What influence has been achieved? • Has DFID advanced harmonisation? • How effective have the ICO, SIF and BS been as new development instruments? • Has the programme been efficient? • Are these results sustainable? 	<ul style="list-style-type: none"> • Outcome 1 – human rights/social inclusion • Outcome 2 – governance • Outcome 3 – growth • Outcome 4a – PRS monitoring • Outcome 4b – CSP monitoring • Outcome 5 – Human resources • Influence with government? • Influence with civil society? • Influence with bilaterals? • Influence with multilaterals? • Effectiveness and efficiency of ICO? • Effectiveness and efficiency of SIF? • Effectiveness and efficiency of BS?
<p>3.2 CSP outcomes:</p>	<ul style="list-style-type: none"> • What progress has been made towards each CSP outcome? • Is this progress sustainable? • What has been DFIDs contribution? 	<ul style="list-style-type: none"> • Outcome 1 – human rights/social inclusion • Outcome 2 – governance • Outcome 3 – growth • Outcome 4a – PRS monitoring • Outcome 4b – CSP monitoring • Outcome 5 – Human resources
<p>3.3 CSP purpose and goal</p>	<ul style="list-style-type: none"> • What progress has been made towards the CSP purpose and goal? 	<ul style="list-style-type: none"> • Support implementation of PRS • State and society work together to achieve sustainable poverty reduction
<p>3.4 DFID corporate objectives</p>	<ul style="list-style-type: none"> • What contribution has the programme made to the SDA, PSA and DDP? 	<ul style="list-style-type: none"> • Contribution to SDA, PSA and DDP

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
4. DEVELOPMENT PROGRESS	what development progress has been achieved in Bolivia?	
4.1 Development progress 2000-2004	<ul style="list-style-type: none"> • What overall progress has been made towards the MDG's etc.? • What has been the contribution of the development assistance? 	<ul style="list-style-type: none"> • Economic and development progress • Contribution of development assistance?
5. CONCLUSIONS, LESSONS AND ISSUES		
5.1 DFID contribution and value added	<ul style="list-style-type: none"> • What has been DFIDs overall value added/contribution? 	
5.2 Strengths and weaknesses of DFID programme	<ul style="list-style-type: none"> • What have been the strengths of the DFID programme? • What have been its weaknesses? 	
5.3 Explanatory factors	<ul style="list-style-type: none"> • what explains DFIDs contribution and the strengths/weaknesses of the programme? 	
5.4 Issues and lessons	<ul style="list-style-type: none"> • what lessons can be learned for the Andean programme, LAD, DFID and donors? • what issues of wider interest are raised by the Bolivia experience? 	

ANNEX E

BOLIVIA TIMELINE



ANNEX F

SUMMARY AID STATISTICS

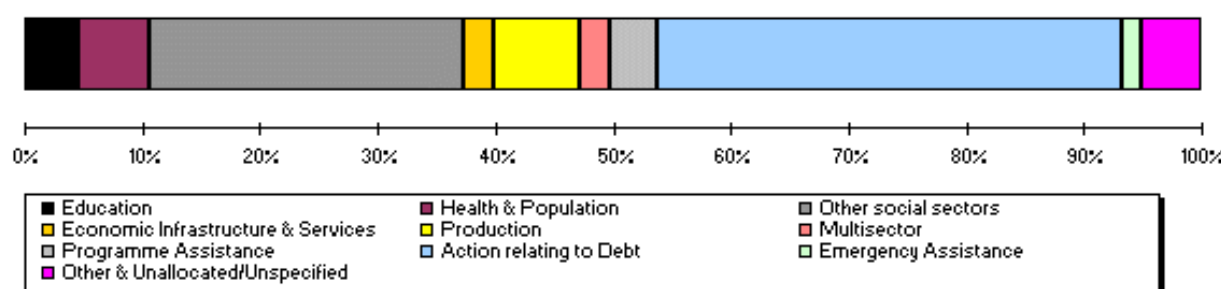
Bolivia

Receipts	2000	2001	2002
Net ODA (USD million)	475	730	681
Bilateral share (gross ODA)	64%	69%	76%
Net ODA / GNI	5.8%	9.4%	9.1%
Net Private flows (USD million)	192	226	- 7

For reference	2000	2001	2002
Population (million)	8.3	8.5	8.7
GNI per capita (Atlas USD)	990	950	900

Top Ten Donors of gross ODA (2001-02 average) (USD m)	
1	Germany 234
2	United States 124
3	IDA 107
4	IDB SPEC. OPER. FUND 92
5	Netherlands 68
6	Japan 56
7	Spain 36
8	United Kingdom 30
9	Austria 29
10	Denmark 28

Bilateral ODA by Sector (2001-02)



Sources: OECD, World Bank.

ANNEX G

DFID/TIMELINE	1998 (and before)	1999	2000	2001	2002	2003	2004
DFID Bolivia Programme	CSP 1998 Natural resources Rural livelihoods Environment Health	Shift away from projects to programmes begins	Mini-PARP 2000/01 Increase in DFID Bolivia profile following Ros Eyben appointment	Mini PARP 2001/02 Strong rights based focus to programme	CSP October 2002 Rights Pro-poor growth Pro-poor governance	Critical paths Dec 2002	Annual plan 2004/5 MIC cuts and LAD restructuring leads to reduction in programme
Budget support					\$4m? via IDB	Support to PRS budget support Apr 2003-Aug 2003 £2m	£1.25m of which £900k DBS £350 technical assistance
Major projects Started or ongoing	CIAT Institutional Strengthening Jan 97 – Dec 2001 £2.4m National Veterinary Epidemiology Unit Mar 97-Jun 2000 £1.9m PilonLajas agroforestry Mar 96-Apr 2003 £1.1m ABRIR Salud	CIAT National Vet Unit Mink'a Agric. Dev't Oct 99-Oct 2004 £2.8m Pilon Lajas	CIAT Comm Diseases Mar 2000 – Feb 2005 £2.3m Mink'a Pilon Lajas ABRIR Salud	Contraceptives supply Mar 2001- Feb 2005 £2.1m PSAC Dec 2001-July 2003 £5.2m Defensoria Dec 2001 - Dec 2006 £0.7m Mink'a Pilon Lajas	SIBTA Jun 2002-2006 £4m Election support Jan 2002 – Aug 2002 £0.7m MMWFP Apr 2002- ongoing? £0.5m pa Contraceptive supply	SIBTA MMWFP Defensoria Inclusive Citizenship Contraceptive Distribution ABRIR Salud	SIBTA MMWFP Defensoria NEDD Right to identity Jun 2004-Mar 2005 £0.35m

DFID/TIMELINE	1998 (and before)	1999	2000	2001	2002	2003	2004
	Health transformation Sep 95-Mar 2004 £2.1m	ABRIR Salud		ABRIR Salud	PSAC Defensoria Mink'a Pilon Lajas ABRIR Salud		
Projects ended or being wound up			National Vet. Unit Jun 2000	CIAT Dec 2001	Election support Aug 2002	PSAC July 2003 Pilon Lajas Apr 2003	Mink'a Oct 2004 Contraceptive Distribution Abrir Salud
Resources: Programme (planned spend) Admin and staffing	£3.73m 6 staff in country including 3 programme officers and 3 admin support/driver	Increasing programme £4.5m	£6m 11 staff in country including head of office, 6 programme officers, 4 support		Contrain on resources financed through prog £7.95m + £1.8 centrally funded £3.5 multilateral	MIC cuts and scaling back of programme £7m	
Reviews and evaluations				Reality checks	CSP review Jan 2002		Country Programme Evaluation Nov 2004
In-country office	Local staff located in British embassy HMA GM Until Oct 2002		In-country office Team set up Mar 2000 Jun 2000 Plan move to new office	Move out of embassy building	HMA WS Dec 2002	MIC cuts Nov 2003 Restructuring	

ANNEX H

Bolivia expenditure		1997/8	1998/9	1999/2000	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6
CSP 1998	Total bilateral	4100	3730	4500	6000					
of which:	natural resources	2290	2050	2510	2520					
	health	650	800	1370	2670					
	other	1160	880	620	810					
CSP 2002	Total bilateral						7950	7000		
MC spreadsheets Framework						10094	7000	7000		
	10-Dec-01 Commitment					13611	10750	9029		
	Framework excl admin					9334	6290	6290		
of which:	Pro-poor growth					3270	2720	2475		
	Social inclusion					1287	1730	1580		
	Making government work for the poor					3907	4687	3600		
	Strategic Impact Fund (SIF)					400	340	340		
	PRS/strategic excl SIF					2883	89	100		
	Other					1104	474	224		
	Administration					760	710	710		
2003/04 AP	Framework excluding admin							8250	6000	5530
May 6 2003	Committed							10393	6741	5325
of which:	Pro-poor growth							2691	2800	2000
	Social inclusion							1842	1590	1450
	Making govts work for poor							3002	1826	1350
	SIF							350	350	350
	PRS and other strategic							2120	0	0
	Other							388	175	175
Post MIC cuts	Framework							8250	4900	1500
check date	Committed							7525	5564	1710
of which	Pro-poor growth							1266	2395	600
	Social inclusion							688	1290	340
	Making govts work for poor							2712	1539	620
	SIF							300	200	150
	PRS and other strategic							2108	40	0
	Other							451	100	0
Admin expenditure									506	378
See annex 2.2 of annual plan for 2003/04	ICO								154	142
	UK based advisers									
	Total admin spend					760	710	660	520	

Note 1 Before 2003/4 admin costs were included with bilateral and programme spend

Note 2 Increase in programme in 2001/2 includes £3m budget support

Note 3 Admin spend combines figures from different sources and UK based figure is an assumption for 2003/04 onwards.

ANNEX I

PROJECT PERFORMANCE BY OUTCOME AREA

PROJECT	COST £ '000	OUTPUT SCORE	PURPOSE SCORE	OVERALL RATING	DFID CONTRIBUTION	NOTES
OUTCOME 1: SOCIAL INCLUSION						
NEDD/UNIR	1000	X	X		High	Approved 2004
Inclusive Citizenship	160					Design halted because of MIC cuts.
Defensoria	700			High	Medium	Highly successful
Electoral support	400			Medium	High	Good targeted initiative but bypassed govt..
Right to Identity	425					Just started. UNICEF and UNDP managed components
IPAS PAC	682	2	3			OPR.
UNFPA	2100		3			OPR
Abir Salud	2500		2			OPR
Communicable Diseases PAHO	2260	3	2			OPR. Incl. HIV/AIDS
OUTCOME 2: PRO-POOR GOVERNANCE						
GNTP	550	3	3	Low	Low	OPR.
PSAC	5220	4	3	Low	Low	PCR. High risk. Failed. Weak central and local capacity. Used by WB as fiscal support.
Sub-national government	1525	X	X			Long design phase. Just started
FAM (SIF)	375			Medium	High	Basket funded with other donors
PRI 2 (SIF)	22					DFID pulled out due to lack of funds and low priority.
MNCS (SIF)	54					Legitimacy questioned. Controversial. Some Dutch and German funding. DFID funding now stopped pending elections
IDB review (SIF)	31			Low	High	Not used by IDB
NDI	32			Low	High	Criticized for US link
OUTCOME 3: PRO-POOR GROWTH						
SIBTA	1800			Low		Basket fund. DFID £4.5m reduced after MIC cuts.
MMWFP	1490			Medium	High	
Competitiveness indicators (SIF)	31	X	X			Potentially high impact
Comite de Enlace	Part of MMWFP			Medium	High	Timely. Successful but fragile
CIAT	2400	1	1			PCR. Pre-2000 project
Mink'a	2800	3	3			OPR. Pre-2000 project
Amboro RD (CARE)	3322	2	2			PCR. Pre-2000 project
Pilon Lajas Agroforestry	1065	3	3			PCR. Pre-2000 project
UNDCP Chapare Agroforestry		2	2			PCR. Pre-2000 project
National Veterinary Epidemiology Unit	1900	3	2			PCR. Pre-2000 project
DRIPAD (WFP)	1000	1	1			PCR. Political decision
PAF	1500	1	1			PCR.
OUTCOME 4: MONITORING AND EVALUATION OF THE PRS AND CSP						
Budget Support 2003	2000	4	3			PCR. Political decision. Fiscal support
Budget Support 2004	1250	X	X			Approved.
UDAPE	44					

Output and Purpose Ratings (latest available review)¹:

1 = very good / fully achieved; 2 = satisfactory / largely achieved; 3 = fair / partially achieved; 4 = poor / very limited achievement; 5 = failure / not achieved; X = too early to judge

Overall Rating (current assessment of impact) - High, Medium, Low, Zero

DFID contribution - High, Medium, Low, Zero

ANNEX J

BOLIVIA COUNTRY PROFILE

	1999	2002	2003
People			
Population, total	8.3 million	8.8 million	9.0 million
Population growth (annual %)	2.3	2.2	1.9
National poverty rate (% of population)	62.7
Life expectancy (years)	62.1	63.6	..
Fertility rate (births per woman)	..	3.8	..
Infant mortality rate (per 1,000 live births)	..	56.0	..
Under 5 mortality rate (per 1,000 children)	..	71.0	..
Births attended by skilled health staff (% of total)
Child malnutrition, weight for age (% of under 5)
Child immunization, measles (% of under 12 mos)	79.0	79.0	..

Prevalence of HIV (female, % ages 15-24)	..
	..
	..
Literacy total (% of ages 15 and above)	84.8
	..
	..
Literacy female (% of ages 15 and above)	78.3
	..
	..
Primary completion rate, total (% age group)	..
	89.1
	..
Primary completion rate, female (% age group)	..
	87.3
	..
Net primary enrollment (% relevant age group)	95.6
	..
	..
Net secondary enrollment (% relevant age group)	..
	..
	..
Environment	
Surface area (sq. km)	1.1 million
	1.1 million
	..
Forests (1,000 sq. km)	..
	..
	..
Deforestation (average annual % 1990-2000)	..
	..
	..
Freshwater resources per capita (cubic meters)	..
	35,270.8
	..
CO2 emissions (metric tons per capita)	

	1.4
	..
	..
Access to improved water source (% of total pop.)	..
	..
	..
Access to improved sanitation (% of urban pop.)	..
	..
	..
Energy use per capita (kg of oil equivalent)	574.2
	..
	..
Electricity use per capita (kWh)	385.1
	..
	..
Economy	
GNI, Atlas method (current US\$)	8.1 billion
	7.9 billion
	8.0 billion
GNI per capita, Atlas method (current US\$)	990.0
	910.0
	890.0
GDP (current \$)	8.3 billion
	7.8 billion
	8.0 billion
GDP growth (annual %)	0.4
	2.8
	2.5
GDP implicit price deflator (annual % growth)	2.4
	2.7
	7.2
Value added in agriculture (% of GDP)	15.1
	14.6
	14.6
Value added in industry (% of GDP)	31.0
	33.3

	33.2
<u>Value added in services (% of GDP)</u>	53.9
	52.1
	52.2
<u>Exports of goods and services (% of GDP)</u>	16.9
	21.9
	21.5
<u>Imports of goods and services (% of GDP)</u>	27.3
	26.9
	24.4
<u>Gross capital formation (% of GDP)</u>	18.8
	14.7
	11.0
<u>Current revenue, excluding grants (% of GDP)</u>	16.7
	..
	..
<u>Overall budget balance, including grants (% of GDP)</u>	-2.3
	..
	..
Technology and infrastructure	
<u>Fixed lines and mobile telephones (per 1,000 people)</u>	113.3
	172.2
	..
<u>Telephone average cost of local call (US\$ per three minutes)</u>	0.1
	..
	..
<u>Personal computers (per 1,000 people)</u>	12.3
	22.8
	..
<u>Internet users</u>	80,000.0
	270.0 thousand
	..
<u>Paved roads (% of total)</u>	6.4
	..
	..

Aircraft departures	24,000.0 20,600.0 ..
Trade and finance	
Trade in goods as a share of GDP (%)	33.9 39.5 ..
Trade in goods as a share of goods GDP (%)	70.8 77.6 ..
High-technology exports (% of manufactured exports)	55.0 6.8 ..
Net barter terms of trade (1995=100)	110.0
Foreign direct investment, net inflows in reporting country (current US\$)	1.0 billion 676.6 million ..
Present value of debt (current US\$)	.. 1.8 billion ..
Total debt service (% of exports of goods and services)	27.1 27.7 ..
Short-term debt outstanding (current US\$)	412.6 million 370.0 million ..
Aid per capita (current US\$)	69.0 77.3 ..

Source: World Development Indicators database, August 2004

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Department for International Development (DFID) is the UK Government department responsible for promoting sustainable development and reducing poverty. The central focus of the Government's policy, based on the 1997 and 2000 White Papers on International Development, is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015. These seek to:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development

DFID's assistance is concentrated in the poorest countries of sub-Saharan Africa and Asia, but also contributes to poverty reduction and sustainable development in middle-income countries, including those in Latin America and Eastern Europe.

DFID works in partnership with governments committed to the Millennium Development Goals, with civil society, the private sector and the research community. It also works with multilateral institutions, including the World Bank, United Nations agencies, and the European Commission.

DFID has headquarters in London and East Kilbride, offices in many developing countries, and staff based in British embassies and high commissions around the world.

DFID's headquarters are located at:

1 Palace St
London SW1E 5HE
UK

and at:

DFID
Abercrombie House
Eaglesham Rd
East Kilbride
Glasgow G75 8EA
UK

Switchboard: 020 7023 0000 Fax: 020 7023 0016

Website: www.dfid.gov.uk

Email: enquiry@dfid.gov.uk

Public Enquiry Point: 0845 3004100

From overseas: +44 1355 84 3132

ISBN: 1 86192 679 0