Bolivia: Social Investment Fund I + II

Ex-post evaluation

OECD sector	16310 – Social welfare/social services	
BMZ Programme ID	(a) 1992 65,232 (b) 1996 66,389	
Programme-Executing Agency	Since February 2001: Fondo Nacional de Inversión Productiva y Social (FPS) Before this date: Fondo de Inversión Social (FIS)	
Consultant	not applicable	
Year of ex-post evaluation	**2005**	
	Project appraisal (planned)	**Ex-post evaluation (actual)**
Start of implementation	(a) 11/92 (b) 1st quarter 1997	(a) 07/93 (b) 3rd quarter 1997
Period of implementation	(a) 5 years (b) approx. 3.5 years	(a) 4 years (b) approx. 6 years
Investment costs	(a) EUR 14.1 million (b) EUR 10.2 million	(a) EUR 12.65 million (b) EUR 12.7 million
Counterpart contribution	(a) EUR 3.78 million (b) EUR 2.53 million	(a) EUR 2.42 million (b) EUR 5.17 million
Financing, of which Financial Cooperation (FC) funds	(a) EUR 10.23 million (b) EUR 7.67 million	(a) EUR 10.23 million (b) EUR 7.53 million
Other institutions/donors involved	not applicable	not applicable
Performance rating	2	
• Significance / relevance	2	
• Effectiveness	2	
• Efficiency	2	

Brief Description, Overall Objective and Programme Objectives with Indicators

The project Social Investment Fund I and II comprised the implementation of a number minor infrastructure and complementary measures in the areas of primary education, basic health care and sanitation, as well as the informal training of specific target groups through the Fondo de Inversión Social created in 1990 (FIS). The measures were designed to improve the social conditions of the poorest groups of the Bolivian population, for which the FC funds were allocated to the south-western Chaco region to ensure optimal effectiveness of the individual measures. The programme FIS II, conceived as a follow-up programme, was implemented by the successor institution to the FIS, the Fondo Nacional de Inversión Productiva y Social (FPS) after the beginning of February 2001.

The overall objective of both programmes was to enable the beneficiaries of the rural population to unfold their development potential and to improve their employment and income situation in order to overcome their poverty. The programme objective was to durably improve the target group's primary education, professional skills and health.

The achievement of the overall objectives was to be measured by the achievement of the programme objectives. The following indicators were defined to measure achievement of the programme objectives:

Primary education:

(a) All school facilities newly erected or rehabilitated with FC funds are in operation and fully functional by the end of 1997 in the zones of priority levels 1 and 2 (according to UDAPSO poverty atlas).
(b) The school facilities financed through FC funds, including the rural boarding schools, are in operation and fully functional by the year 2001. The school enrolment rate improves by at least 5% between 1997 and 2002. The share of households with a poverty intensity index according to UDAPSO of more than 80% falls from 43% to below 20% in the five provinces of the Chaco by the year 2002.

Basic sanitation:
(a) At the end of 1997 the users of the financed water supply systems consumed 40 litres per capita per day for domestic connections, 20 litres per inhabitant per day for public standpipes and 10 litres per inhabitant per day for house pumps, the so-called "norias").
The domestic sanitation facilities are in use at the end of 1997; contamination by sewage is within the admissible limits. By the end of 1997 all water supply and sanitation facilities of the project are in operation and are being maintained regularly and adequately. The number of beneficiaries matches the expectations at the time of evaluation of the FIS.
At least 20% of the users of sanitary installations use flush toilets by the end of 1998.
(b) The beneficiaries of the financed water supply systems increase their water consumption from an average of 7.5 litres per inhabitant per day and less to 40 l/c/d for home connections, 20 l/c/d for public standpipes and 10 l/c/d for norias.
At least 30% of the users of sanitary installations possess flush toilets by the end of 2002.
The share of households with a poverty intensity index according to UDAPSO of more than 75% falls from 54% to around 30% in the five provinces of the Chaco by the year 2002.

Basic health care:
(a) The number of first medical consultations sought by the beneficiary population (all age groups) rises from 36 consultations for each 100 persons in 1993 to 62 in the year 1998;
The number of first medical consultations for children under two years rises from 52 per 100 in 1993 to 70 in 1998;
The share of women with four antenatal exams rises from 21% in 1993 to 40% in 1998;
The share of births performed in the health facilities in the project areas rises to 30% in 1998 (1993: 23%).
(b) The share of first medical consultations rises to over 65% of the beneficiary population by 2002, for children under two years to more than 70%. The share of births performed in the health facilities in the project areas rises to 35% in 2002.

Programme Design / Major Deviations from the original Programme Planning and their main Causes

A total of 330 social infrastructure facilities were constructed or rehabilitated and, in part, equipped under the FC programmes FIS I/II. Of these facilities 150 were primary education centres, 118 health posts and 62 basic sanitation projects. Nineteen informal training measures were also carried out. Of the 349 projects 148 were implemented under the programme FIS I, 107 under FIS II and 94 projects were financed with funds from both programmes. In addition, complementary local consultancy assignments and measures to support the user groups and the programme-executing agency were carried out. The design of the education, health and sanitation facilities was based on guidelines defined by the sector authorities that were adapted to the local conditions. In particular, the measures carried out in the primary education area support the standards defined in the framework of Bolivia's education reform programme through their pro-educational designs. The physical quality of the

constructions visited can be rated generally satisfactory. Given the limited willingness of the target group to pay tariffs, however, the design of the basic sanitation component (home connections) appears to be oversized.

The measures were carried out primarily from mid-1993 to mid-2003. The FC programmes initially followed the implementation procedure of the FIS. The sub-projects were applied for by the municipalities, individual target group organisations, NGOs, prefectures or sector ministries and then implemented and operated by these following approval by the FIS. After the "Ley de Participación Popular" (people's participation act) was passed in 1994 the participatory planning of investments together with the target group associations "Organizaciones Territoriales de Base"(OTB) at the community level was introduced, and the responsibility for applying, implementing, operating and maintaining municipal infrastructure facilities devolved on the communities to a considerable extent. User group participation was usually high. The applicants were supported by the regional offices of the FIS/FPS in the preparation and implementation of the projects, with frequent delays occurring as a result of incomplete project applications.

The communities (schools or health facilities) or the user groups (water supply systems) are responsible for maintaining and operating the sub-projects. Much of the personnel expenses, medication and learning materials are still being financed through the sector ministries. No impact monitoring has yet been set up by the FPS, but this is under preparation.

The quality of the constructions is satisfactory and sufficient for economic and simple maintenance of facilities. As was expected at the time of appraisal of the FIS II programme, the municipalities show weaknesses with respect to long-term maintenance of the facilities as they have an inclination to give preference to new projects in their budget planning. This is demonstrated by the fact that damaged school furniture is not always repaired in time. Besides, some of the maintenance performed on the sanitary installations in the schools leaves something to be desired. Often, however, the maintenance deficiencies are offset by the commitment of the users and their organisations (Comités de Salud, Comités de Vigilancia, Juntas de Padres y Madres de Familia) which is sometimes very high.

The personnel and equipment (medications, vaccines, teaching and learning materials) in the education and health areas are in line with sector standards and generally satisfactory. Besides, some communities finance further school teachers from their own budgets. The health facilities charge fees - at least theoretically - for curative services and medication. Although these fees are low many patients cannot afford them so they are often provided for free. Revenues are transferred to the corresponding municipality. Preventive health services are free.

For the water supply systems the user committees charge tariffs in a lump-sum. However, at USD 0.08 to 2.5 per month and connection, and given the often low collection efficiency, they are usually not sufficient to ensure long-term maintenance. Furthermore, the capacities of some water supply systems, as well as of other project types (schools) are inadequate as migration to the Bolivian Chaco (primarily from the highlands) and the concomitant population increase have been stronger than expected. On the other hand, capacity enlargements often do take place in the framework of ongoing FPS programmes (such as the water supply system Abapó).

Key Results of the Impact Analysis and Performance Rating

The project gave hitherto undersupplied groups of the population improved access to primary education, basic health care and water supply, and for some it was the first time they had access to these services. Through their regional focus the projects made a significant contribution to further improving the social conditions of the disadvantaged rural population of the Bolivian Chaco and to overcoming their poverty. As they were strongly directed at developing primary schools they provided particular support to the implementation of the Bolivian educational reform programme, which was also co-financed from FC funds. What deserves particular mention is the fact that the introduction of bilingual education allows the indigenous population to equally benefit from this reform as well. The basic sanitation component, on the other hand, did not satisfactorily meet the impact expectations because of deficiencies in operation and insufficient cost coverage.

On the level of the overall objective the two programmes were intended to help the beneficiary groups of the population to unfold their development potential, thereby enabling them to tap improved sources of employment and income. This was intended to contribute to improving the social conditions and overcoming structural poverty in the project areas of Bolivia's Chaco. Under plausibility considerations the overall objective was to be considered achieved if the programme objectives were achieved. Both

programmes pursued the overall objective of durably improving the health and primary education of particularly poor rural groups of the population of Bolivia's Chaco. The choice of indicators and their target level were not appropriate because they cannot be verified with reasonable effort for lack of data.

Interviews conducted with the target group instead and on-site inspections made on the occasion of the final evaluation give the following picture with regard to the achievement of the programme objectives:

All sectors

- The ***participation of the population*** - particularly the women - is high in all areas and characterised by great commitment.
- The ***sustainability indicators*** (social, economic, institutional, ownership) are highest in the primary education sector and lowest in the basic sanitation sector.

Basic health care

- ***Under-five and maternal mortality*** dropped in all health projects and has been very low for years. This is mainly due to the introduction of the SUMI (Seguro Universal Materno Infantil) insurance, the impact of which is being supported by the existence of adequate infrastructure and equipment.
- The prevalence of ***water-induced diseases*** in infants and small children is still high in some areas owing to the lack of access to safe drinking water, but the death rate has fallen thanks to adequate prevention and treatment.
- The number of ***antenatal exams*** established in the sector policy (four exams for each pregnancy) has increased noticeably.
- ***Immunisations administered to infants and small children*** meet the standards established by the Bolivian Ministry of Health. The average immunisation rate of the health facilities visited is 80%.
- The share of ***institutional births*** has increased in the project area but is still low against homebirths because of the remoteness of health facilities (dispersed population). Homebirths, however, are often assisted by health workers as well.
- ***Family planning*** was improved as health stations were constructed.

Primary education

- Children's ***writing and reading*** skills have improved. Pupils' creativity has visibly improved with new forms of learning that were introduced in the course of the education sector reform. This was promoted by the redesign of many school buildings, among other factors.
- ***Enrolment rates*** have remained high, keeping pace with population growth, and school attendance has evened out on a regular, high level.
- ***Completion rates*** have improved. The share of pupils advancing to higher education has increased.
- ***School attendance regularity*** has improved.

Basic sanitation

- In two out of three cases, positive impacts regarding ***time savings***, ***specific consumption*** (over 40 l/c/d for domestic connections) and connection rates were reported (standpipes were not found in the final inspection).
- As a result of design flaws, institutional weaknesses (user committee) and insufficient cost coverage the ***service quality*** is poor in two out of three cases (intermittent service availability). These problems are addressed in more recent FPS programmes in the form of complementary training.

Production-oriented informal training

- This component was of secondary importance in the projects. It was confirmed in the two sub-projects visited that the training measures carried out in the areas of poultry raising, pig farming and honey production gave rise to ***new economic activities***, thereby resulting in income improvements.

In total, roughly 70% to 80% of the financed sub-projects meet the expectations. What is unsatisfactory, in particular, is the impacts achieved by the basic sanitation component.

Based on a combined assessment of all impacts and risks described above, we have arrived at the following rating of the two programmes' developmental effectiveness:

Effectiveness

Both programmes pursued the overall objective of durably improving the health and primary education of particularly poor rural groups of the population of Bolivia's Chaco. These objectives were well achieved for the primary education and health components, which accounted for four-fifths of the investment volume. Deductions have to be made for the basic sanitation component, which accounted for one-fifth of the investment volume, in terms of the long-term achievement of the programme objective. Insufficient cost coverage and an inadequate collection rate imply problems for proper upkeep and maintenance (lack of funds). The probable consequence will be that these facilities will not be available for all of their normal useful life. However, the FPS has already launched awareness campaigns to counteract his trend. All facilities financed from FC funds are being utilised by the target group very intensively, and their acceptance is high. In weighing the sectoral components we rate the overall efficiency of the programmes as satisfactory (rating: 2).

Significance / Relevance

The overall objective of the programmes was to enable the beneficiaries of the rural population to unfold their development potential and to improve their employment and income situation in order to overcome their poverty. Not much has changed in the income poverty situation since programme appraisal. However, this was not to be expected from a programme designed to satisfy basic social needs such as healthcare and education. Rather, the successful improvements in satisfying basic social needs have created important prerequisites for the people to overcome their income poverty from their own resources. However, this is a process that will take many years and decades. In addition, the increased responsibility of the communities and the direct participation of the target groups have had strong effects on the formation of political structures. By concentrating regionally on the Bolivian Chaco the programmes also had positive and noticeable impacts on promoting and integrating hitherto disadvantaged indigenous groups of the population. We rate the developmental relevance and significance as satisfactory (rating 2).

Efficiency

We rate the technical design of the infrastructure measures and the specific investment costs as satisfactory overall and well-adapted to the local conditions (low-maintenance construction). Our evaluation of the administrative costs of the FIS are subject to some restrictions (some important cost positions such as personnel costs were financed by the donors temporarily and therefore are not reported in the administrative costs). The extended implementation period of the FIS II programme is mostly due to the reorganisation of Bolivia's fund landscape, which must be rated positively from the point of view of sector policy. For this reason we do not attach very much importance to this delay. Overall we judge the production efficiency to be satisfactory. With the exception of the basic sanitation component we rate the allocation efficiency to be satisfactory as well because the programmes were selected in a generally participatory manner on the basis of a poverty map and because they also meet distribution criteria and standards established under the sector policy. Overall, weighing both the production efficiency and allocation efficiency, we rate the programme as satisfactory (sub-rating: 2).

In consideration of the sub-criteria mentioned above, we rate the developmental effectiveness of the project as satisfactory overall (overall rating: 2).

Conclusions and Recommendations

Social funds can be put to use effectively particularly were the sector conditions are well developed and where the sector institutions limit their intervention to their normative and policy functions. A further necessary condition is that there be close coordination with the sector institutions.

Social funds can work all the more efficiently the better the donor support is coordinated. Ideally, the donors should refinance the general investment programme of the social fund and agree on uniform financing criteria and a uniform reporting standard based on the management information system of the social fund in question. The utilisation of the funds can then be verified by a renowned auditor for

all donors, as it is done in financial sector operations, instead of demanding separate accounts and audits for each donor.

The individual measures financed under social funds should meet the criteria for sector support that are applicable under FC projects. Where there is no willingness to pay for individual services such as home connections for water supply, this component should not be implemented.

As social funds by virtue of their function focus primarily on the implementation of infrastructure investments and normally do not accompany the phase of operation, sustainability deficits often occur where the infrastructure cannot be integrated into established operating structures but must be managed by structures that need to be newly created, such as user groups.

The target indicators should be established in a manner that makes it possible to verify the achievement of the objectives with reasonable effort, that is, they should rely on data sources that are available regularly or provide for random sampling under the project conception.

Legend

Developmentally successful: Ratings 1 to 3	
Rating 1	Very high or high degree of developmental effectiveness
Rating 2	Satisfactory developmental effectiveness
Rating 3	Overall sufficient degree of developmental effectiveness
Developmental failures: Ratings 4 to 6	
Rating 4	Overall slightly insufficient degree of developmental effectiveness
Rating 5	Clearly insufficient degree of developmental effectiveness
Rating 6	The project is a total failure

Criteria for the Evaluation of Project Success

The evaluation of the "developmental effectiveness" of a project and its classification during the ex-post evaluation into one of the various levels of success described in more detail below concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient significant **developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project concept)?
- To the extent that undesired **(side) effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms, or to carry on with the project activities on their own and generate positive results after the financial, organizational and/or technical support has come to an end.