

**MEMORANDUM TO THE DCI COMMITTEE  
CONCERNING THE**

**Annual action programme 2018 and 2019 – part I - in favour of Bolivia to be financed  
from the general budget of the Union**

**1. Identification**

Budget heading	21.02.01.00 – Latin America – Poverty reduction and sustainable development
Total cost	EUR 39 million of EU contribution
Basic act	Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action <sup>1</sup> , and in particular Article 2(1) thereof

**2. Country background**

Bolivia, officially the Plurinational State of Bolivia, is a land-locked country with a relatively scattered population of 10.1 million inhabitants, located in the center-west of South America. Its surface (1.01 million km<sup>2</sup>) is the sixth largest in Latin America and includes different geographical zones, being one of the countries with the greatest biodiversity in the world.

Politically, it is constituted as a Plurinational State, decentralized and with autonomies. It is divided into nine departments. Sucre is the constitutional capital and seat of the judicial organ, while La Paz is the seat of the executive, legislative and electoral organs.

Currently, Bolivia is considered a low middle income country. The latest figures indicate an annual per capita income of approximately USD 3,500 (USD 1,010 in 2005 and USD 1,700 in 2010). Although poverty and inequality in the distribution of income are still high, there has been progress in recent years. The Gini coefficient dropped from 0.62 in 2000 to 0.458 in 2015, while moderate and extreme poverty rates were reduced from 60.6 and 38.2% in 2006 to 38.6 and 16.8% in 2015, respectively. Bolivia's authorities have been pursuing macroeconomic policies oriented to stabilization, growth and expansion of GDP, while reducing poverty and inequality through conditional transfers and subsidies. Despite some criticisms (some of the local policies are considered restrictive), Bolivian economy is still one of the fastest growing economies in the region.

In March 9, 2016, the new 2016-2020 Economic and Social Development Plan (PDES) was approved and enacted as a State bill. The PDES constitutes the strategic framework and starting point for prioritization of development goals, results and actions. It is based on the Patriotic Agenda 2025 and the Government Programme 2015-2020. The PDES has a five year implementation period and a foreseen investment of approximately USD 49 billion in various productive sectors, with emphasis on raw materials transformation and industrialization. The PDES constitutes the backbone of the Bolivian mid-term planning and it is the framework within which international cooperation funds are allocated.

Bolivia has a good formal basis for the exercise of human rights (HRs). The country has ratified the main international and regional human rights treaties and national legislation is

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<sup>1</sup> OJ L 77, 15.3.2014, p. 95.

generally in line with international standards. The current Constitution (2009) is generally viewed positively, and guarantees an unprecedented number of HRs. In 2013, Bolivia adopted new legislation on violence against women, trafficking and sexual violence and a national plan to address racism and discrimination. In 2014 laws on family, children and adolescents were passed. In 2016, the country adopted an advanced legislation on lesbian, gay, bisexual, transgender and intersex people (LGBTI) rights.

However, lack of funding and institutional capacity continues to represent a challenge to the systematic and effective implementation of legislation related to human rights. In particular, the widespread violence against women, girls and children represents a major human rights concern. As one of nine countries benefitting from the GSP+ scheme, Bolivia is subject to regular monitoring of its compliance with 27 International Conventions.

### **3. Summary of the Action Programme**

#### **Access to Justice for all and System Reform** (Annex I):

The enactment of the 2009 Constitution triggered a process of political, institutional and regulatory transformation, which also entailed an ambitious conversion of the justice system. Yet, to date, a comprehensive and decisive reform of the justice sector has not been undertaken. Key challenges include judicial backlog, lack of independence and transparency, corruption, and limited access, in particular for people in vulnerable situations. In 2018, a ‘Sector Plan for the Comprehensive Development of Justice and Institutional Transparency’ was elaborated on the basis of the conclusions of the 2016 Nation-wide Justice Summit. It is currently in latest stages of adoption. This coincides with the renewal of the Judiciary, following the judicial elections of December 2017. This context opens-up a window of opportunity to provide systemic support and strengthen institutions in the sector.

This action will contribute to national goals set under pillars 11.1 and 11.2 of the Economic and Social Development Plan (PDES) 2016-2020. It will support the following national policies: the 2018 Sector Plan on Justice, the National Policy for promoting Transparency and Fight Against Corruption, the public policy on gender-based violence ‘Para una Vida Digna de las Mujeres’, adopted in 2017.

This action has been formulated under focal sector 1 of the Multiannual Indicative Programme (MIP) for Bolivia for 2017-2020 ‘Justice reform and fight against corruption’. The overall objective of the action is to strengthen access to justice for all and promote effective, transparent and accountable justice system institutions. That will be achieved through two interlinked specific objectives: the first focusing on system effectiveness and transparency; and the second on system inclusiveness.

Under specific objective one, the action covers 3 expected results: i) Justice operators reinforced and Judicial Career Regulation implemented, ii) Management models streamlined and computerised in an integrated way and iii) National action plan against corruption in the justice sector designed and implemented. Under Specific Objective 2, the action integrates 3 expected results: iv) Coverage and quality of legal aid services improved, v) The gender perspective is strengthened within the Judiciary and vi) Comprehensive services for victims of gender-based violence are enhanced.

The action is aligned with the ‘peace and people’ priorities of the new European Consensus for Development and will contribute to Sustainable Development Goals - goals 16 and 5. It will contribute to strengthen governance and law enforcement, incorporating a leaving no-one behind approach by extending access to justice to the persons in most vulnerable situations, and more particularly low income people, young people in conflict with the law and persons

deprived of liberty. The promotion of Gender equality is an essential part of this action (with two specific results focused on women). Beyond those, all action results will integrate a gender perspective and selected indicators will ensure gender-relevance and appropriate disaggregation, in line with the EU Gender Action Plan.

The action builds on lessons learnt from past cooperation in the sector, which in the case of the EU has been mainly channelled through EIDHR, IfS and regional instruments focusing on the areas of access to justice, policy development and judicial independence. Also, the action complements ongoing and planned interventions of other donors. This includes Denmark (management models, but currently phasing out from Bolivia), Switzerland (access to justice and conciliation), Spain (gender-based violence) and Italy (Juvenile Justice). Additionally, the proposed Action will be complementary to a number of EU ongoing and foreseen interventions, including regional programmes like EUROsociAL+ or El PACcTO. EIDHR projects and the forthcoming NSA-LA CfP, as well as with other focal sectors such as focal sector 2: Fight against illicit drugs.

### **Sanitation in small communities and water resilience in cities** (Annex II)

Bolivia's Patriotic Agenda 2025 and the Economic and Social Development Plan 2016-2020 set ambitious targets for 2020 and 2025 regarding the universalization of public services, including water and sanitation. However, whereas access to water has made significant progress in the last years and even surpassed the Millenium Development Goals (MDG) target, access to sanitation is lagging behind.

At the same time, Bolivia is increasingly prone to climate change related events, namely droughts and floods. The drought that affected urban areas in 2016 made the population and the government aware of the high vulnerability to water distresses, due to low storage capacity and a mismatch between water supply and demand. Furthermore, the lack of treatment capacity for wastewater poses significant stress on the environment and threatens clean water sources.

In line with the above the Action *Sanitation in small communities and water resilience in cities* proposes a twofold intervention that will be implemented simultaneously under the same Financing Agreement with the Government of Bolivia: a. Continued support to the Sectoral Plan for the Development of Basic Sanitation 2016-2020 of the Government of Bolivia, through a Sector Reform Performance Contract (SRPC) of EUR 20 million. Through this support, the EU will contribute to bridge the still important gap in sanitation coverage, focusing in rural and small communities of up to 10,000 inhabitants, where needs are the highest. The SRPC will also support the development of community level capacity regarding health and hygiene matters linked to sanitation; b. A large scale intervention to improve cities' resilience to water shortages, with an EU contribution of EUR 15 million. This will complement additional efforts from other European bilateral agencies and a regional bank with strong expertise in the sector. Special attention will be paid to gender, taking into account the leadership of women in rural communities and at household level. The Action will also help to prevent school abandonment of girls due to lack of sanitation facilities in education centres.

Complementarities and coordination are ensured thanks to the Group of Donors on Water and Sanitation (GRAS) and a European Group of Donors on Water and Sanitation. Donors involved in the sector include Agence française de Développement (AFD), KfW, Italian cooperation, the Spanish Agency for International Development (AECID), the World Bank, the Development Bank of Latin America (CAF) and the Inter-American Development Bank (IADB).

### **Support Measures Bolivia** (Annex III)

This Action aims to provide resources to support the work of the Delegation in achieving the objectives set up in the MIP 2017-20, which are aligned with government priorities and the relevant SDGs. Better learning through evaluations, more knowledge thanks to sector studies and in-depth gender analysis, better strategic and programming documents and increased reach thanks to greater recognition among counterparts and beneficiaries, will contribute to improve the quality of current and future EU cooperation work in Bolivia, which in turn will mean a greater contribution to the general objective of eradicating extreme poverty and reaching the targets sets by the SDGs.

#### **4. Communication and visibility**

To increase efficiency and coherence of communication, a communication and visibility contract is foreseen under the Action *Support Measures Bolivia* (Annex III). The contract will cover not only the Actions in this AAP 2018, but also all other EU cooperation activities in Bolivia. A similarly all-encompassing contract is already ongoing and has significantly improved the impact of the Delegation communication in the country. The new contract, foreseen under this annual action programme, will guarantee continuity starting from 2021, when the current contract will expire.

#### **5. Cost and financing**

Access to Justice for all and System Reform	EUR 3 000 000
Sanitation in small communities and water resilience in cities	EUR 35 000 000
Support Measures Bolivia	EUR 1 000 000
Total EU contribution to the measure	EUR 39 000 000

The Committee is invited to give its opinion on the attached annual action programme 2018 and 2019 – part I - in favour of Bolivia



EN  
ANNEX 1

of the Commission Implementing Decision on the financing of the annual action programme 2018 and 2019 – part I - in favour of Bolivia to be financed from the general budget of the Union

**Action Document for ‘Access to Justice for all and System Reform’**

**ANNUAL PROGRAMME/MEASURE**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<b>1. Title/basic act/ CRIS number</b>	Access to Justice for all and System reform CRIS number: LA/2018/040-117 Financed under the Development Cooperation Instrument	
<b>2. Zone benefiting from the action/location</b>	Bolivia	
<b>3. Programming document</b>	Multiannual Indicative Programme 2017-2020 - BOLIVIA	
<b>4. Sustainable Development Goals (SDGs)</b>	Main SDG(s) - SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.  Other significant SDG(s) - SDG 5: Achieve gender equality and empower all women and girls.	
<b>5. Sector of intervention/ thematic area</b>	Justice reform and fight against corruption	DEV AID: YES

<b>6. Amounts concerned</b>	Total estimated cost: EUR 3,000,000 Total amount of EU budget contribution EUR 3,000,000			
<b>7. Aid modality(ies) and implementation modality(ies)</b>	Project modality Indirect management with a consortium including Spain + Switzerland + UNODC <sup>1</sup>			
<b>8. a) DAC code(s)</b>	Main DAC Code - 15130: Legal and judicial development Sub-code 1- 15113: Anti-corruption organisations and institutions Sub-code 2- 15170: Women's equality organisations and institutions Sub-code 3- 15180: Ending violence against women and girls			
<b>b) Main Delivery Channel</b>	12000 Recipient Government (ODA)			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>	

<sup>1</sup> This consortium will be open to other Member States that may be interested in joining at a later stage, provided that they comply with the criteria set in section 5.

<b>10. Global Public Goods and Challenges (GPGC) thematic flagships</b>	N/A
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## SUMMARY

The enactment of the 2009 Constitution triggered a process of political, institutional and regulatory transformation, which also entailed an ambitious conversion of the justice system. Yet, to date, a comprehensive and decisive reform of the justice sector has not been undertaken and partial reforms are deemed insufficient to address key challenges. These include judicial backlog, lack of transparency, corruption and limited access, in particular for people in the most vulnerable and marginalised situations, as well as the challenge of reinforcing the independence of and coordination among the various State powers<sup>2</sup>. However, some important steps have been taken in recent years. In June 2016, a Justice Summit took place, delivering a wide-range of mandates. On that basis, the Ministry of Justice and Institutional Transparency elaborated a ‘Sector Plan for the Comprehensive Development of Justice and Institutional Transparency’ (the ‘Sector Plan’) that is currently in the final stages of adoption. This coincides with the renewal of the Judiciary following the judicial elections of December 2017. This context opens-up a window of opportunity to provide systemic support and strengthen institutions in the sector.

The overall objective of the action is to strengthen access to justice for all and promote effective, transparent and accountable justice system institutions. That will be achieved through two interlinked specific objectives: the first focusing on system effectiveness and transparency; and the second on system inclusiveness. This second objective will have a particular focus on women and people in situations of vulnerability, and more particularly low income people, young people in conflict with the law and persons deprived of liberty, inter alia. Based on lessons learnt, the action also proposes to integrate crosscutting technical assistance with the aim of supporting the implementation of the different components of the action and of the 2018 Sector Plan.

The proposed action builds on lessons learnt from past cooperation in the sector. At present, funding from (mainly European) donors has taken the form of partial strands of support by a few donors. Building on the new Sector Plan, the action intends to take a step further, applying a more integrated approach. It aims to address the fundamental pillars of the justice system, with an underlying rationale of strengthening institutions in the sector. However, recognising the still-incipient strategic framework and the fact that institutional capacities need to be further reinforced, this action is conceived as a first-step intervention. It proposes a model that can be easily scaled up as impact becomes evident, making it possible to take into

<sup>2</sup> In line with article 12.I of the Bolivian Political Constitution which pledges for independence, separation, coordination and cooperation among the State powers.

consideration lessons learnt and to adapt to a changing political context and to an evolving sector.

The action will contribute to the Sustainable Development Goals 16 and 5, as well as to the national goals set under pillars 11.1 and 11.2 of the Bolivian Economic and Social Development Plan for 2016-2020. It is also aligned with the ‘peace and people’ priorities of the new European Consensus for Development, the EU Agenda for action on Democracy Support, the Human Rights and Democracy Country Strategy and the EU gender Action Plan.

Lastly, the action has been formulated in a context of robust and longstanding donor coordination within the ‘International Group on Justice’ in Bolivia. It is an example of coordinated implementation in the framework of the European Joint Strategy in Bolivia.

## **1 CONTEXT ANALYSIS**

### **1.1 Context Description**

Since President Morales took office in early 2006, Bolivia has undergone a process of transformation towards the construction of a Plurinational State. The process has brought about visible progress in terms of macroeconomic stability, democratic representativeness and greater social inclusion. However, in the areas of Governance and the Rule of Law the progress has not been linear. Qualitative analyses describe that traditionally excluded segments of society<sup>3</sup> have been gradually incorporated into political life. However, liberal democracy indicators give a picture of longstanding challenges as shown by the 2017/2018 World Justice Project Rule of Law index, where Bolivia ranks 106<sup>th</sup> out of 113 countries, with similar rates to previous years. This composite ranking corresponds to a below the median Rule of Law adherence and one of the lowest scores for constraints on government powers, absence of corruption, civil justice and criminal justice.

The paradigm shift set forth in the 2009 Constitution also entailed an ambitious transition towards a justice system based on the principles of legal pluralism, independence, transparency, promptness and being free of charge, which guarantees access for all. This advanced conceptual framework also included the innovative principles of decolonisation and ‘depatriarcalisation’<sup>4</sup>.

President Morales recognised the improvement of the justice system as national priority, and this was reflected in the 2016-2020 Economic and Social Development Plan (PDES). However, after three decades of incomplete attempts, a comprehensive reform of the Bolivian justice sector is still lagging behind. This is due to historical bottlenecks, including a persistent lack of will to adopt a long-term framework, as well as to political factors stemming from the divergence in visions and lack of coordination among the sector institutions. The low

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<sup>3</sup> i.e Women, indigenous people and socioeconomically disadvantaged groups. Wolff, J. (2018). Political incorporation in measures of democracy: a missing dimension (and the case of Bolivia). *Democratization*, 1-17.

<sup>4</sup> In Spanish "depatriarcalización". Sociedad Civil en Acción para la transformación de la Justicia. Propuestas, Mayo 2016. Editora Presencia.

level of resources allocated to the sector compounds the problem (currently 0.47% of the national budget, remaining under regional averages<sup>5</sup>).

Key structural challenges include: limited judicial independence; corruption and lack of transparency (40% of national corruption claims related to the justice sector); excessive length of proceedings (backlog rates of more than 50% in most of departments); weak territorial presence and an inadequate distribution of resources; and constraints to service delivery and defence rights, particularly with regards to women and people in the most vulnerable situations. These challenges are exacerbated when it comes to criminal justice, which faces a longstanding crisis: pre-detention rates stand at 70% and prison overpopulation between 219% and 300%<sup>6</sup>. All that in a context historically characterised by a regulatory surplus but weak implementation and enforcement mechanisms.

However, in the last year noteworthy windows of opportunity have been opened. Firstly, a ‘Sector Plan for the Comprehensive Development of Justice and Institutional Transparency’ was eventually prepared in 2018. It reflects the main mandates derived from the nation-wide reflection process prompted by the 2016 Justice Summit, in which participated the main sector stakeholders. Secondly, in December 2017, there were judicial elections to appoint new high judicial authorities chairing the Supreme, Constitutional and Agro-Environmental Courts and the members of the Judiciary Council, albeit only with 35% of valid votes<sup>7</sup>. This turnover terminated a complex relation between the executive and the previous judicial authorities, unlocking opportunities for interinstitutional cooperation. Finally, a public policy to combat violence against women ‘*Política Integral para una Vida Digna de las Mujeres*’, was also adopted in 2017.

These developments present a window of opportunity for supporting and reinforcing institutions in the sector. However, the current strategic framework is still in its early stages and will require strong financial support and technical assistance. This action, although relatively small in size, constitutes a first-step in that direction, with a strategic model that can be easily scaled up, as progress is made and the sector evolves. The action is also a practical example of joint programming with EU Member States and Switzerland in the framework of the European Joint Strategy in Bolivia.

## 1.2 Policy Framework (Global, EU)

This action is in line with the new European Consensus for Development, ‘peace’ and ‘people’ priority areas, as well as with SDGs 16 and 5. It is also aligned with the EU Agenda for Action on Democracy Support, as well as with the Human Rights and Democracy Country Strategy 2016-2020, where ‘strengthening the rule of law and improving access to justice, with particular focus on indigenous people, women, girls and boys’ is one of the three priorities of action. Finally, it reflects the commitments of the EU Gender Action Plan 2016-2020, especially with the first thematic area focusing on ‘Ensuring girls’ and women’s

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<sup>5</sup> To the General Budget it has to be added minor complementary special fiscal revenues (i.e. Derechos Reales).

<sup>6</sup> The General Direction of Penitentiary Regime indicates 219% (March 2018). According to the Ministry of Justice this percentage would almost reach 300%.

<sup>7</sup> Around 65% of the votes were invalid or blank, with an increase of 7,3% as compared to the last judicial elections in 2011.

physical and psychological integrity’, in particular objective 7. As an exercise of joint programming, this action is also in line with the EU Joint Programming Guidelines<sup>8</sup>.

### 1.3 Public Policy Analysis of the partner country/region

The Bolivian Government has ratified a large number of international and regional conventions relevant for Justice, Governance and Human Rights but monitoring bodies highlight widespread deficiencies when it comes to their effective implementation.

The 2009 Bolivian Constitution consecrated two main novelties regarding Justice. Firstly, it recognised indigenous justice at the same hierarchical level as ordinary justice (‘plural justice’), following the example of Colombia and Ecuador. Secondly, it incorporated a new election mechanism for high judicial authorities through popular vote<sup>9</sup>. The bases for the reform were further enacted in 2010 by two organic laws on the Constitutional Court and the Judiciary<sup>10</sup>. The justice system principles put forward by the Constitution have been instilled in the PDES, whose pillars 11.1 and 11.2 call for an active fight against corruption and for a justice system that guarantees access, fast court proceedings, equity, transparency and respect for the values of *vivir bien* (‘good living’).

Despite the high expectations, actual improvements have not yet materialised and there is a deepening in Bolivian citizens' perception that the justice system is in an emergency state. In this context, a major step was taken in 2016 with the organisation of the National Justice Summit<sup>11</sup>. On this basis, the government formulated the Sector Plan, in final stages of adoption. It provides a credible basis, it is relevant for the issues at stake, and it is fully led and owned by national authorities. It is built around four main axes: legislative and regulatory reform, human resources and judicial career, and modernisation and use of ITC; with access to justice and fight against corruption as underlying objectives. It includes a detailed performance assessment framework with a matrix of indicators and means of verification, a time sequencing schedule for 2018-2020 and a disaggregated budget. Its execution falls under the competence of the ‘Implementing Commission for the Summit Mandates’, a national platform for intersectorial coordination within the sector. The Sector Plan is nonetheless still in the early stages and it is crucial to help it become operational across state institutions and to grant it an adequate budget. Special attention also needs to be put on policy inclusiveness to ensure that the plan effectively includes groups in situations of vulnerability and integrates a gender perspective.

There is still no comprehensive policy for fighting corruption in the judicial sector. However, there have been some important milestones, starting with the ‘Fight against Corruption and Fortune Inquiries Law’ and the National Policy for promoting Transparency and Fight

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<sup>8</sup> <https://europa.eu/capacity4dev/joint-programming/documents/joint-programming-guidance-supporting-eu-delegations-work-better-together-member-states>

<sup>9</sup> This mechanism has allowed to improve representativeness of women and indigenous peoples within the high authorities; however, it has also received critiques pointing at shortcomings in judicial independence, weaknesses in informed vote and a risk of ‘plebiscitarian’ drifts.

<sup>10</sup> Leyes 027 de 6/07/2010 Ley del Tribunal Constitucional Plurinacional y 025 de 24/06/2010 Ley del Órgano Judicial.

<sup>11</sup> The Summit delivered a comprehensive package of mandates structured around six areas: i) selection of high judicial authorities; ii) judicial backlog; iii) access to justice; iv) fight against corruption; v) criminal justice, and vi) recruitment, capacity building and disciplinary regime of justice civil servants.

Against Corruption. They were completed by the laws on ‘Participation and Social Control’ and the more recent on ‘Transparency Units and Fight against Corruption’. Following the latter, more than 630 transparency units were set-up, including in the Ministry of Justice, the Supreme Court and the Judiciary Council, although its distribution of tasks and procedures have yet to be fully rolled-out.

The regulatory framework with regards to women's rights has been considerably advanced. The Plurinational State has approved several regulations aimed at ensuring equal participation in electoral and high judicial courts. Regarding violence against women and girls, two acts stand out:

- (i) the ‘*Ley Integral para Garantizar a las Mujeres una Vida Libre de Violencia*’ (348/2013), which is one of the few Latin-American examples of comprehensive laws against gender-based violence; and
- (ii) the ‘*Ley Integral contra el Acoso y la Violencia Política hacia las Mujeres*’ (243/2012)<sup>12</sup>.

However, implementation has been slow and, in response to this, a public policy ‘*Para una Vida Digna de las Mujeres*’ was adopted in 2017. This policy includes an action plan accompanied by indicators for measuring progress over the next 5 years, and establishes an ‘Interinstitutional Commission’ responsible for its implementation. Furthermore, Law 348 established the intersectorial coordination mechanism (SIPPASE), the public mechanism for institutional cooperation across the institutions that are part of the attention/protection chain to victims of gender-based violence. This law provides for standard operating procedures and rules on data collection and monitoring.

#### 1.4 Stakeholder analysis

As duty bearers, the main counterparts of the action will be the Ministry of Justice and Institutional Transparency (MJTI) and the Judiciary. The MJTI is the justice sector governing body and is composed of five departments: i) Justice & Fundamental Rights, ii) Indigenous Justice, iii) Equality of Opportunities, iv) Rights of Consumer and v) Institutional Transparency & Fight Against Corruption. The Judiciary, based in Sucre, is composed of the Supreme Court, the Agro-Environmental Court and the Judiciary Council. The latter, as the self-governing body of the judiciary, is a key institution for this action as it is responsible for the design and implementation of internal policies for the Judiciary, administrative and financial supervision and the disciplinary regime. The Council was established under the Constitution in order to separate administrative/financial from purely jurisdictional functions. A last institution is the Financial and Administrative Directorate (DAF), which is hierarchically dependent on the Supreme Court. The partial overlapping of mandates between the DAF and the Judiciary Council has created organic frictions and duplicity of functions that the project will need to take into account.

Institutional analyses highlight deficiencies of both State powers in policy implementation, as well as limited interinstitutional cooperation, which have nonetheless improved since the arrival of the new authorities. In this sense, a special mention should be given to the

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<sup>12</sup> The Law 243/2012 received a mention at the 'Future Policy Award' 2014, organized by the World Future Council.

'Implementing Commission for the Justice Summit mandates'<sup>13</sup> as the national intersectoral coordination platform. It currently holds monthly meetings and includes high representatives from the executive, judiciary, legislative and academia. Other relevant State actors are the General Prosecutor's Office, also based in Sucre<sup>14</sup>, and the Ministry of Home Affairs which is responsible for citizen security and penitentiary matters. Furthermore, the sub-national governments should also be mentioned as they ensure the coordination of policy implementation in their respective territories.

The mandate for ensuring effective access to justice in Bolivia is scattered across different institutions that vary in their level of autonomy, although all depend to a certain extent from the Ministry of Justice: (i) the Plurinational Service of Public Defence (SEPDEP) responsible for the defence of criminal accused; (ii) the more recent Plurinational Service for Victim Assistance (Sepdavi)<sup>15</sup> and (iii) the Plurinational Integrated Justice Services (Sijplu). All these institutions face limited coverage both geographically -being mostly present in big and intermediary cities- and in terms of specialised and multidisciplinary staff. Other additional organisms providing legal aid to persons with low-income levels are local governments through Local Legal Services (SLIMS) for victims of gender-based violence and Defensorías de la Niñez y Adolescencia (DNA), universities (juridical clinics), bar associations/law firms providing 'pro bono' legal aid and a number of specialised CSOs. A main obstacle is that public and private services are totally disconnected, which perpetuates undercoverage and overlaps. With respect to violence against women, the General Directorate against Gender and Generational Violence, under the Ministry Department of Equality of Opportunities, is the national gender machinery, which is also responsible for the already mentioned SIPPASE. However, this governing body suffers from a weak mandate and limited capacities.

Civil society is particularly well articulated on justice issues around two main platforms: the 'Citizen Platform for Access to Justice' and the 'Citizen Initiative for Justice' Monitoring. The EU has been supporting these networks since 2015 through two consecutive EIDHR projects. Women's rights organisations -with which the EU has a solid and long-lasting dialogue- are also part of these platforms and will be involved in policy and project monitoring, as well as in cooperation agreements between the State and CSOs. Other organisations from civil society relevant for the sector are bar associations/the National Public Registry of Lawyers and universities/research centres. Within the donor community, a key actor is the International Group on Justice (GIJ) in Bolivia, which plays a key role on articulating the dialogue with national institutions.

Final beneficiaries of the action are rights-holders and more specifically, justice system beneficiaries. The action has a specific focus on people in the most vulnerable situations (i.e. low-income people, victims of gender-based violence, persons deprived of liberty, young people in conflict with the law) and women who suffer from institutionalised discrimination. This action has an underlying logic of empowering rights holders to access justice services in order to claim their rights/obtain redress of grievances; and of public institutions (duty bearers) in order to strengthen their capacities to deliver on their commitments.

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<sup>13</sup> 'Comisión de seguimiento de las conclusiones de la Cumbre de Justicia' established by Law n.898 of January 2017.

<sup>14</sup> A new General Prosecutor should be designated in the last trimester of 2018, which may open new cooperation opportunities on criminal matters.

<sup>15</sup> It was established in 2013 in line with the constitutional principle of 'equality of arms'.

## 1.5 Problem analysis/priority areas for support

The preparation of this action required a desk review of key documentation, of which it is worth mentioning a sectoral study published in December 2017 by the Office of the United Nations High Commissioner for Human Rights<sup>16</sup>, various diagnostics prepared in the framework of the 2016 Justice Summit and evaluations of past and current programmes. The action is also the outcome of numerous bilateral meetings with State institutions, specialised organisations and development partners<sup>17</sup>. On this basis, six priority areas for support were identified:

(1) Judicial Career. Objective and systematised procedures for appointing judges ('judicial career') are not yet fully implemented in Bolivia. That entails crucial challenges in terms of judicial independence as well as of staff professionalism and stability. There have been two national attempts to institutionalise a judicial career in Bolivia, both supported by the international community (the Spanish Cooperation Agency for International Development (AECID) and the Office of the United Nations High Commissioner for Human Rights (OHCHR)) with only partial success. A new regulation was adopted in May 2018 integrating three subsystems: one for new appointments (there is a commitment to establish 50 new courts this year), a second one providing secure of tenure for judges in function, and a third one focusing on capacity building. Support from donors has been requested to uphold the implementation of the new regulation.

(2) Management models and technological tools. The underlying objective of this component is to reduce judicial backlog (currently over 50%), to increase access to information and statistics and to curtail corruption. Since 2015, the Judiciary Council has made significant efforts to introduce an integrated case management information system (SIREJ). However, the use of SIREJ has not yet been systematised and an internal diagnosis highlighted deficiencies in it. An interinstitutional e-government agreement was signed at the end of 2017 to streamline the system and consolidate its use across national courts. The action may grant support to accompany this process and to introduce reforms in management models, (e.g. for implementing 'Judicial Management Offices', separating judicial and administrative functions<sup>18</sup>).

(3) Fight against corruption. Criminal proceedings are most affected by corruption, with 58% of beneficiaries admitting to paying bribes to speed up proceedings or 23% of the population considering corruption the main cause of judicial backlogs<sup>19</sup>. Underlying reasons include judges not having security of tenure; inadequate and non-transparent case management/attribution procedures; non-monitored declarations of assets and limited access to information/publicity. This is aggravated by dysfunctional disciplinary measures and by the

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<sup>16</sup> Sistema Judicial Boliviano- Estado de situación, buenas prácticas y recomendaciones para el trabajo en el sector, desde el enfoque de derechos humanos. OHCHR, Vicepresidencia de Bolivia, CIS (Nov. 2017).

<sup>17</sup> During the formulation process, the EU Delegation has organised several consultations with women's civil society organisations and representatives, as well as with government institutions. The gender components of the project have also been discussed in donor coordination groups such as the Interagency Committee on Gender Issues (CIAG) or the International Group on Justice (GIJ).

<sup>18</sup> A pilot exercise has already been implemented in one departmental court with the support of the Justice Studies Center of the Americas.

<sup>19</sup> According to a study carried out by the late Ministry of Institutional Transparency and the Fight against Corruption (hereinafter MTILCC) in December 2015.

generalised abuse of claims used by litigants to put pressure on the courts. The action will use as first entry point the official request from the Supreme Court to be supported in implementing its Code of Ethics. It will then extend its support for a more comprehensive strategy against corruption in the judicial sector.

(4) Access to Justice. Limited access to Justice is one of the historical weaknesses of the Bolivian justice system, which is characterised by lengthy procedures, excessive formalism and inadequate geographical allocation of courts and legal services<sup>20</sup>. Decades of international cooperation (by USAID, Danish International Development Agency (DANIDA) and Swiss Development Cooperation (COSUDE)) have managed to consolidate public defence institutions. However, these institutions (i) have very limited coverage restricted to bigger and intermediary cities, (ii) have not managed to secure adequate financing; (iii) they cumulate dramatic deficiencies of staff and equipment, (including a high turnover mainly due to low wages/poor labour conditions); and (iv) there is limited coordination/overlapping of mandates between the different services. Nevertheless, some recent positive developments confirm the current institutional commitment to preserve and reinforce these bodies: the Public Defence Service (SEPDEP) absorbed part of their staff that was financed by COSUDE (staff increase of 28%). Furthermore, staff in the Victim Defence Service (SEPDAVI) was recently granted a wage increase. Against this backdrop, special attention needs to be paid to stabilising these institutions, reinforcing their operational and financial sustainability and improving coordination between them.

(5) Gender mainstreaming in Justice. Notable efforts were made during the previous judicial mandate (2011-2017) to strengthen the gender perspective in Justice, partly due to the increased number of women among the high judicial authorities (+34.6% since 2011<sup>21</sup>). In 2013, a Gender Committee was created composed of high female judicial authorities. Subsequently, a ‘Gender Policy for the Judiciary’ was adopted in 2015 followed by a 2016 ‘Protocol for judging with a gender perspective’. Both the Policy and the Protocol include measures to combat discrimination against LGTBI people but their implementation still lags behind. Switzerland, UN Women and civil society organizations<sup>22</sup> - have supported this process, but it now requires buy-in and stabilisation by the new authorities, which reconstituted the Committee in April 2018.

(6) Violence against women and girls (VAWG). Despite an outspoken political commitment and significant advances in the regulatory framework, Bolivia continues to be one of the countries in the region with higher rates of violence<sup>23</sup>. The approval of Law 348 and the setting up in 2015 of the intersectorial coordination mechanism (SIPPASE) have been important steps forward in that respect. However, the levels of impunity remain extremely

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<sup>20</sup> The geographical distribution has not taken into account the growth of intermediate and big cities in the last decade, nor the specific reality of remote and rural areas.

<sup>21</sup> Even if this percentage has slightly decreased in the last elections. It is also fair to add that these quantitative advances have come accompanied by new challenges including push-backs in the form of political harassment against women in representative institutions (‘violencia política’).

<sup>22</sup> More specifically the NGO *Comunidad de Derechos Humanos*, within the scope of an EIDHR grant.

<sup>23</sup> The first multidimensional survey on violence against women, published in the fall of 2017 indicated that 75% of women living in a couple declared having suffered violence from their partners during their relation and 43,6% stated having been victims of sexual violence at least once in their lives. In 2016, the Public Prosecutor office reported 104 cases of femicide, which made Bolivia rank as the fourth country with the highest relative rate in Latin America and the first in South America; in 2017 this number increased to 109.

high: over 99% of reported domestic and sexual violence crimes and nearly 80% of femicides remain unpunished. The main causes have been identified as a lack of effective policy implementation, inadequate budgeting, limited coverage of SIPPASE at municipal level and weak interinstitutional coordination. The focus of the action in this area will be to uphold the implementation of the new policy and, as part of it, maintain support for the SIPPASE.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
<p><u>Unstable political context:</u></p> <ul style="list-style-type: none"> <li>- (Pre)electoral context: Presidential elections in 2019.</li> <li>- Increased polarization/legislative slowdown<sup>24</sup>.</li> <li>- Weak consensus/opposing interests among sector stakeholders.</li> </ul>	H	<p>The action adheres to the national vision of the ‘Agenda Patriótica’ and the PDES, backed with indicators to be attained in a time lapse that surpasses the presidential elections.</p> <p>Ensure continued sector policy dialogue within the International Group on Justice, focused on securing counterpart engagements on the basis of indicators included in the Sector Plan.</p> <p>The implementation modality of delegated cooperation to a consortium of EUMS will serve to maximise political leverage through a one EU voice.</p>
<p><u>Structural problems:</u></p> <ul style="list-style-type: none"> <li>- Lack of independence: mounting interference of the Executive over the Judiciary.</li> <li>- High level of corruption within the sector.</li> </ul>	M	<p>Ensure involvement of both Judiciary and Executive within their remits, as well as support interinstitutional coordination on the basis of the commitments outlined in the Sector Plan. Institutional tension will be taken into account in policy dialogue and further definition and implementation of the action.</p> <p>Simultaneously, the EU is supporting civil society in their watchdog functions, with specific attention to the summit mandates, including judicial independence.</p> <p>The action will integrate one result focusing on fighting against corruption. Additional results 1 (judicial career) and 2 (management models &amp; IT tools) also aim to improve transparency, impartiality and thereby reducing the opportunities for corruption and reinforcing independence.</p>
<p><u>Weak sector strategy:</u></p> <ul style="list-style-type: none"> <li>- Sector Plan still incipient with weak institutional and intersectorial coordination capacities.</li> </ul>	H	<p>Technical assistance will be provided across the action’s components. Additionally, a specific basket for TA service contracts is foreseen to support the plan’s implementation and provide ‘ad hoc’ support to sector institutions on demand.</p>

<sup>24</sup> Following the adoption and immediate abrogation of a new Criminal Code in January 2017 following large social protests.

<ul style="list-style-type: none"> <li>- Low institutionalisation and budgetary allocations which puts at risk project sustainability beyond the lifetime of the action.</li> <li>- High turnover of senior public administration positions (every January) and technical staff.</li> </ul>		<p>Overall coordination and project execution responsibility well anchored in the State responsible institutions and specific roles of different ministries/technical services clearly spelled out. The 'Implementing Commission' as the inter-organic coordination platform will play a key role and receive specific support.</p> <p>Financial commitments as outlined in the sector plan and budgetary increases will be secured through sector policy dialogue during project implementation, including with the Ministries of Public Finances and Planning. TA will serve to provide budgetary needs assessments as well as inputs to the sectoral Ministries involved in negotiations with the Ministry of Finance.</p> <p>Adequate budgeting will also help in reducing staff rotation. Incentives and mandatory arrangements will be negotiated with beneficiary institutions. Capacity building will have a strong focus on 'training of trainers' to ensure continued replication of courses to new entrants.</p>
<p>Resistance to Gender issues in high levels of administration. Weak policy framework (Comprehensive Public Policy still not landed in clear indicators and financial attributions not secured yet). Low budgetary execution and staff levels.</p>	<p>H</p>	<p>Technical assistance will be provided to the General Directorate against Gender and Generational Violence, which will include capacity building. This includes putting an accent in making the achievements visible, in order to reposition/raise the institutional rank of the coordinating institution.</p> <p>The action will also support the adequate budgeting of the public policy (including foreseeable mechanisms for budgetary transfers from the national to the local level). Synergies with other donors will be sought.</p>
<p><b>Assumptions</b></p>		
<ul style="list-style-type: none"> <li>- The momentum generated by the adoption of the Sector Plan is maintained beyond 2019 presidential elections.</li> <li>- The action is owned and led by the Government and the Judiciary that maintains (at least, optimally increases) current levels of political and financial commitment towards justice sector institutions.</li> <li>- Sector Plan and Gender Policy are landed operationally and actionable by the beginning of implementation.</li> </ul>		

### 3 LESSONS LEARNT AND COMPLEMENTARITY

#### 3.1 Lessons learnt

The EU, which is the leader of the International Group on Justice, has been closely monitoring the reform process since 2013, when it was selected as one of the EU sectors of concentration for the period 2014-2020. Over the last years, EU support in the areas of justice and fight against corruption has been channelled through EIDHR, IfS and regional instruments focusing on the areas of access to justice, policy development and judicial

independence. There are five main conclusions stemming from sector monitoring and from previous interventions by the EU and other development partners:

1. Evaluations from past programmes in the sector<sup>25</sup> recommend implementing a multifaceted approach, combining short, mid and long-term actions to avoid 'reform fatigue'. To this end, this action will, on the one hand, accompany the strategic long-term reform framework by supporting the implementation of the new Sector Plan. On the other hand, it will provide shorter-term support that can materialise in tangible results that demonstrate progress, for instance by addressing key constraints to service delivery.
2. It is also crucial to identify 'champions of the reform' within institutions at technical or sub-national level that can develop good practices and pilots<sup>26</sup>. This can encourage others to replicate these best practices and scale them up at departmental/national level.
3. Continued dialogue with civil society on policy advocacy and monitoring is also crucial to adequately monitor progress and risks in the sector. In this regard, the EU has launched a NSA-LA Call for Proposals under AAP 2018 with one specific lot on Justice. The selected projects are intended to start in 2019 complementing this bilateral action with support to specialised CSOs.
4. The inclusion of crosscutting technical assistance also stems from the lessons learnt by other donors having worked in the sector and by EU regional programmes. This TA should, as much as possible, be institution-based, quick, flexible and demand driven.
5. Interventions in Justice need to take into account the sensitive political context. In an electoral context particular attention should be given to ensuring judicial independence by strengthening ownership and leadership within the Judiciary over the reforms that fall under its remit. The action should also ensure flexibility to adapt to any change in the context. The judicial authorities started their mandate in early 2018 but they will be fully operational when the implementation of this action begins. At the same time we might witness advances in the first months of implementation of the Sector Plan that will need to be integrated in the project intervention strategy.

### 3.2 Complementarity, synergy and donor coordination

Since the outset of the justice reform in 2014, donor coordination has been particularly robust, including during the preparation of the 2016 Justice Summit. The EU leads the two main groups for development partners cooperation, the International Justice Group (GIJ), which includes all development partners active in the sector (EU, Spain, Denmark, Italy, Switzerland, the UN and, as observers, Sweden and Germany) and the Group on Justice within the Joint European Strategy. Within the GIJ, a matrix of priority areas for international cooperation in line with the Sector Plan has been prepared. In the area of Gender there is also an Interagency Committee on Gender Issues (CIAG) which gathers all donors and ensures dialogue with Government authorities. The CIAG has identified the fight against VAWG and women's participation as one of its priority areas. Historically, the main donors in this sector

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<sup>25</sup> Evaluación del Proyecto de Reforma Judicial en la República de Bolivia (Banco Mundial 1995-2000, USD 11 million + AECI 1998-2008, USD 3 million). Ministerio de Asuntos Exteriores, Oficina de Planificación y Evaluación..

<sup>26</sup> Such as the introduction of 'judicial offices' separating administrative and jurisdictional functions, or the national framework for juvenile justice i.e. 'Criminal System for Adolescents'.

have been USAID (United States), GiZ (Germany), AECID (Spain), COSUDE (Switzerland), DANIDA (Denmark), SIDA (Sweden) and different agencies of the United Nations System. This action intends to constitute an example of joint programming with EU Member States + Switzerland in the framework of the European Joint Strategy in Bolivia, adopted in 2017.

The proposed action complements and builds on identified gaps and best practices from the following projects implemented by European and international partners in the country:

- Denmark has implemented the project ‘Ejercicio de Derechos y Acceso a la Justicia’ (2014-2018, EUR16,785,900). This Project has provided institutional support to a series of institutions in the Justice and Home Affairs sectors, namely by supporting IT technologies in the justice sector. Denmark is withdrawing development aid in Bolivia from mid-2018, so the proposed action aims at consolidating previous work.

- Spain has been historically a key supporter of the implementation of the Judicial Career in Bolivia. A first successful attempt through the ‘Programa Justicia’ (1998-2008, USD 3 million); and a second project funded by the EU and implemented by AECID and the OHCHR ‘Fortalecimiento de la independencia del sistema judicial en Bolivia’ (2014-2015, EUR 1.3 million). Currently, it is one of the main actors in VAWG through a series of projects combining support to the State and CSOs. This has included support to the General Directorate against Gender and Generational Violence by funding (together with Germany) the first ‘Survey of Prevalence and Characteristics of Violence against Women in Bolivia’, published in 2017, which served as the basis for the public policy ‘*Para una Vida Digna de las Mujeres*’ (Spain is supporting it until 2020).

- Switzerland has just finished the implementation of two relevant projects: ‘Acceso a Justicia’ focused on access to Justice and on Alternative Dispute Resolution mechanisms (ADR) (USD 6.8 million, 2013-2017) and ‘Vida sin Violencia’ (USD 4 million, 2016-2020). Switzerland is currently formulating a new phase of their support to the Justice System for which they intend to strengthen focus on ADR. In the area of VAWG the proposed action will be complementary to Switzerland CSOs-channelled support in this area.

- Italy has been active in the area of restorative justice through CSOs. It is currently starting implementation of two projects: one aiming at supporting the Juvenile Justice System ‘Fortalecimiento a la Instancia técnica del Ministerio de Justicia y al Sistema penal para adolescentes’ (2018-2019, EUR 600,000); and a second that will provide support to the IT penitentiary system ‘Fortalecimiento del Sistema de información penitenciaria boliviana – SIPENBOL’ (2018-2019, EUR 318,175).

- In the last years, UNDP has implemented targeted actions related to judicial management models (e.g. ‘Judicial Offices’ implementation, training of judges, agro-environmental proceedings). UNWOMEN and UNFPA are the main UN actors relevant in the areas of Gender and VAWG. Within its mandate, UNODC has been working for several years at the national and municipal levels in the promotion and implementation of transparency mechanisms and fight against corruption with Swedish funding.

- CSOs and women's' organisations are active in various justice-related areas on which the project will articulate and ensure complementarity. A mapping of relevant organisations has been compiled as part of the formulation exercise.

The project will also create synergies with several ongoing and future EU-funded actions, which will help in covering other priorities of the Justice Reform included in the MIP and the 2016 National Justice Summit mandates. These are the following:

- The EU has been working with civil society in the area of Justice since 2011 through four consecutive EIDHR projects from which the two more recent focused on the areas of criminal justice, human rights defenders (including persons deprived from liberty<sup>27</sup>). In March 2018, a new call for proposals was launched, which aims to support existing networks specialised in Justice Reform. This will allow implementing a two-pronged approach, combining support to State institutions with strengthening CSOs as counterparts in advocacy and service provision.
- EUROsociAL+ is expected to provide TA to Ministerial Justice and Gender Institutions. The regional programme El PACcTO is supporting the update of the penitentiary law and reform plan, and also on the areas of international judicial cooperation against organised crime and trafficking in human beings.
- This action will also contribute to EU support in the sector of Drugs (focal sector 2) which will benefit from a strengthened justice system and law enforcement. Controlled substances-related matters are the first cause of criminal caseload and imprisonment (34,48% of prisoners). This intervention should allow for a more effective fight against traffic of illicit drugs, with increased protection of human rights (less pre-trial detention, less impact of corruption, prompter judicial proceedings).

#### **4 DESCRIPTION OF THE ACTION**

##### **4.1 Overall objective, specific objectives, expected outputs and indicative activities**

**General objective** - To contribute to the provision of equal access to justice for all and to consolidate effective, transparent and accountable institutions in the justice sector in Bolivia.

This action will concentrate on supporting the implementation of the 2018 ‘Sector Plan for the Comprehensive Development of Justice and Institutional Transparency’. It will do so through two interlinked project components: the first focusing on system effectiveness and transparency and the second on system inclusiveness, by promoting access with a people-centred perspective focusing on persons in vulnerable situations.

##### **A. Specific objective 1 – To strengthen the effectiveness and transparency of the justice sector and to reinforce the fight against corruption.**

This SO responds to several of the mandates of the 2016 Justice Summit echoing major citizens' concerns. This objective falls mainly under the remit of the Judiciary which will be chiefly responsible for granting implementation.

##### **Expected output 1: Justice operators reinforced and Judicial Career Regulation effectively implemented.**

The action will support the implementation of the recently adopted 2018 Judicial Career Regulation, which intends to institutionalise and stabilise the judicial body. It will reinforce

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<sup>27</sup> ‘Sociedad Civil en Acción por la Defensa y Promoción del Derecho a Defender los Derechos Humanos’ - 391-814 (2017-2021, EUR 450,000).

the capacities of justice operators (mainly judges and court staff but also prosecutors and lawyers) through initial and continuous training. This will be done through the National Schools of Judges and Prosecutors, which are the institutions best placed to ensure sustainability, in collaboration with universities.

**Expected output 2: Capacities strengthened to streamline and computerise management models in an integrated way.**

With the ultimate aim of curtailing judicial backlog and opportunities for corruption, this result will support the development of the Action Plan of the Judiciary Council in the area of management models and the implementation of the 2017 ‘Interinstitutional Agreement for Electronic Governance in the Justice Sector’. This includes refining the IT system and consolidating its use across national courts. To avoid the risk of ‘informatising the bureaucracy’, the action will also support the rationalisation of judiciary/case management procedures, to shorten their duration.

**Expected output 3: National action plan against corruption in the justice sector designed and under implementation.**

The action will support the establishment and implementation of ethical standards and anticorruption mechanisms in justice, in line with international principles and good practices. It will begin with an assessment of the corruption risks in the justice system. On this basis it will then proceed to support the design and implementation of an anticorruption plan in the justice sector, systematising integrity and prevention protocols, institutional capacity-building and access to information.

**B. Specific objective 2 – To enhance access to Justice for women and people in situations of vulnerability.**

This SO is aligned with the priorities established in the Sector Plan. It also reflects the commitments included in the institutional strategic plans of the decentralised bodies targeted by the action. Most of these bodies depend on the Ministry of Justice which will play a key role within this objective<sup>28</sup>.

**Expected output 4: Coverage and quality of legal aid services improved.**

Support in this area will focus on strengthening public defence services, extending coverage and improving service quality. Furthermore, it will promote coordination between public institutions and other ‘pro bono’ legal service providers (namely universities, bar associations and NGOs).

**Expected output 5: The gender perspective is strengthened within the Judiciary and its 2016 Gender Protocol is effectively applied.**

This component will strengthen the institutional role of the Gender Committee within the Judiciary. The action will help put the 2016 Gender Protocol into practice, with a view to reinforcing gender sensitiveness in the administration of justice.

**Expected output 6: Comprehensive services for victims of gender-based violence are enhanced.**

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<sup>28</sup> Project components which focus on improving public services (notably R4 and R6) will apply the AAAQ framework including aspects of Access, Availability, Acceptability and Quality.

This result will contribute to the implementation of the public policy ‘*Para una Vida Digna de las Mujeres*’. It will include reinforcing the SIPPASE interinstitutional mechanism at both national and local levels by extending it to new municipalities and consolidating and reinforcing it across the 60 municipalities where it is already in force.

### **Indicative activities:**

Result 1. Justice operators reinforced and Judicial Career Regulation effectively implemented.

- *Supporting the implementation of the 2018 Judicial Career Regulation and its complementary manuals, including the introduction of job security safeguards and internal mobility schemes. This includes technical assistance to the Judiciary Council and Financial and Administrative Directorate (DAF).*
- *Institutional support to the National School of Judges/Prosecutors for initial and continuous training and evaluation of judges in function; and to the universities to update curricula.*

Result 2. Capacities strengthened to streamline and computerise management models Management models streamlined and computerised in an integrated way.

- *Supporting the development and implementation of the Action Plan of the Judiciary Council in the area of management models. Developing and implementing interconnectivity/interoperability mechanisms across sector institutions (adoption of protocols, shared interfaces, common agendas and notifications).*
- *Streamlining and consolidating case management information systems across judicial matters, developing the electronic case record system, implementing e-notifications, video-recordings, etc.. Systematising information systems producing timely and disaggregated data.*
- *Rationalising judicial management procedures, for instance by supporting the set-up of Judicial Management Offices separating judicial and administrative functions, updating the IT system of the Property Registry<sup>29</sup>.*

Result 3. National action plan against corruption in the justice sector designed and under implementation.

- *Conducting a diagnosis of corruption risks in the justice sector and subsequently supporting the design and implementation of an action plan promoting integrity and transparency in the judicial sector. This plan will include provisions on budgetary safeguards, assets declarations and monitoring, random case assignment procedures, and public access to information.*
- *As part of this plan the action will: (i) support the implementation of the Code of Ethics for Justice Operators adopted in February 2018, applying a participatory approach and in line with international standards; (ii) design/adjust and deliver training programmes on integrity and judicial ethics targeting justice operators, law students at universities, lawyers and justice service users.*

Result 4. Coverage and quality of legal aid services improved.

- *Developing/updating and implementing institutional strategic plans for SEPDEP, SEPDAVI, SIJPLU, and promoting partnerships with other providers (e.g. sub-national authorities, universities, law firms, NGOs, etc.). Supporting the design and implementation of communication plans and contents for dissemination.*

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<sup>29</sup> The tax revenues from the Property Registry constitute own resources for the Judiciary.

- *Institutional support: Staff training, exchange of experiences and good practices including at regional and international levels. Carrying out studies, diagnosis, improving ITC tools (software) and information systems.*
- *Implement pilot initiatives specifically targeting categories of people in situations of vulnerability (e.g. minors, persons deprived of liberty, etc.). This may include support to decentralised government levels –ETAs.*

Result 5. Gender perspective is strengthened and the 2016 Gender Protocol is effectively applied within the Judiciary.

- *Providing institutional support to the Judiciary Gender Committee, including technical assistance for strategic and operational plans, training for high authorities, visibility and communication tools. Rolling out of a Gender Observatory within the Judiciary gathering existing data/producing systematic, gender-relevant and disaggregated data on judicial proceedings.*
- *Putting into practice the 2016 'Gender Protocol' through the development of a user-friendly tool box. This includes training for judges /justice operators on the Protocol -including LGTBI issues- through the School of Judges/Prosecutors, combining in-class with e-learning and promoting the training of trainers.*

Result 6. Comprehensive services to victims of gender-based violence are enhanced.

- *Strengthen comprehensive services for the protection of victims of gender-based violence - including political violence- on the basis of the SIPASSE model: mapping geographic coverage/accessibility gaps, extending coverage to 105 municipalities, reinforcing the Single Registry of Violence Cases (RUV), developing protocols/guidelines.*
- *Reinforcing the National Public Policy: Develop an information system on the types of violence against women, training on the 'Bolivian Integrated Model of Action Against Violence' targeting the attention public servants (including of municipal services, e.g. SLIMS or Defensorías de la Niñez), supporting public policy monitoring and evaluation mechanisms.*

## **4.2 Intervention Logic**

The action will be a first intervention in the sector on the basis of the recently opened windows of opportunity. While keeping a limited scale, the action intends to be strategic by addressing the keystones of sustainable institutional strengthening in the sector, with a particular focus on judicial independence, fighting corruption, curtailing judicial backlog and improving equal access to justice. On the other side, the model proposed could be easily scaled up if the implementation is successful and produces the expected results.

The action is designed as a double-track intervention: one more focused on system efficiency and transparency that will support structural reforms (SO1), and the other more people-centred and focused on system inclusiveness (SO2). The latter aims at enhancing equal access to justice with a strong accent on women and people in the most vulnerable situations, thus, incorporating a HRBA/leaving-no-one-behind approach. Furthermore, this action foresees the mobilisation of demand-driven short and medium-term expertise for (i) supporting the implementation of the National Strategy/Institutional Plans; (ii) strengthening judicial system institutions, (iii) accompanying inter-sectoral agreements and coordination mechanisms and (iv) conducting studies/diagnosis. In line with the recommendations of the 2017-published OHCHR study this expertise will be mainly institution-based, also in accordance with the 2008 EuropeAid Backbone Strategy on 'Reforming Technical Cooperation and Project Implementation Units'.

Through this intervention logic, the action ultimately aims at supporting long-term sector strengthening by improving sector governance and inter-institutional coordination, strategic planning, adequate budgeting and by strengthening institutional capacities at national and sub-national levels.

Regarding the implementation modality, the main part of the action will be implemented by a consortium including Spain and Switzerland, open to other Member States that want to join at a later stage, in a first ‘pilot’ exercise of joint programming within the recently adopted European Joint Strategy in Bolivia. This convergence of efforts will allow for (i) building on the past and ongoing support to the Justice System by European partners (which constitute the main group of donors in the sector) and (ii) leveraging political influence towards the national institutions. Additionally, the action will include a component to be implemented by UNODC, in line with their global mandate and considering their expertise in the fight against judicial corruption.

Lastly, the action proposes an integrated approach at national, regional and local levels, as well as across the different institutions and actors of the justice sector. At national level, the implementation of the action will be coordinated with the Ministry of Justice and the Judiciary; and it will provide capacity building and institutional support to different relevant institutions of the sector. At regional and local level, it will focus on strengthening service provision capacities of the public entities that are closer to the beneficiaries, and on increasing the coordination between these public entities and with other ‘pro bono’ justice service providers.

#### **4.3 Mainstreaming**

The action will contribute to strengthen governance and law enforcement, in line with international and regional standards and Bolivian human rights commitments. It also incorporates a leaving no-one behind approach by extending access to justice to the persons in most vulnerable situations (i.e. low-income people, persons deprived of liberty, young accused). This is expected to be achieved by increasing access to public defence both for victims and accused, and as an indirect result of reducing corruption, which increases the cost of justice. Complementarily, the Call for Proposals (see section 3.1) will have a specific focus on empowering rights holders to better claim their rights, including by strengthening civil society capacities for policy advocacy and monitoring.

The promotion of Gender equality is an essential part of this action. Within Specific Objective 2, two out of three expected results are focused on women (ER5 and ER6). However, beyond these specific components, all action results will integrate a gender perspective and selected indicators will ensure gender-relevance and appropriate disaggregation. The crosscutting TA will also be able to support the State in the definition of policies/provision of services with a gender perspective and in the production of gender-sensitive data.

#### **4.4 Contribution to SDGs**

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 16 ‘Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels’ and SDG 5 ‘Achieve gender equality and empower all women and girls’.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months (including 48 months for implementation and 24 months for closure) from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

### **5.3 Implementation modalities**

#### *5.3.1 Indirect management with a consortium including Spain + Switzerland + UNODC*

This action may be implemented in indirect management with a Consortium which includes Spain + Switzerland + UNODC<sup>30</sup>. This Consortium will be open to other EU Member States that may be interested in joining at a later stage, provided that they comply with the criteria set below.

Spain and Switzerland will ensure the implementation of Results 1, 2, 4, 5 and 6. The envisaged entities have been selected using the following criteria:

Spain-AECID has extensive experience in the country in:

- Accompanying justice reform processes at the national level since 1999;
- Developing and implementing judicial career and engaging in capacity building of justice operators;
- Supporting institutionalism of Government-led fight against VAWG through the National Public Policy and Interinstitutional Coordination mechanism (SIPPASE).

Swiss Agency for Development and Cooperation - COSUDE has tracked experience in:

- Extending access to Justice by supporting public defence services and ADR;
- Supporting the Gender Committee of the Judiciary and the 'Protocol for judging with a gender perspective'.

In addition to these entities, a part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: be an EU Member State, with proven expertise and experience in the area of Justice and Fundamental Rights, to have sufficient operational capacity and presence in Bolivia. The implementation by this entity would entail activities under the already existing results.

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<sup>30</sup> Should the new template for Contribution Agreements (under Companion 8) not allow for including UN agencies in the implementing Consortium, Result 3 of the Action will be implemented through a different Contribution Agreement for an indicative amount of EUR 300,000.

The United Nations Office on Drugs and Crime (UNODC) will implement Result 3 on the basis of the following criteria:

- UNODC has the UN mandate on Fight against Corruption, a highly sensitive but essential component of justice reform processes. On this basis, the Judiciary has explicitly requested the support of UNODC in this area.
- In Bolivia, UNODC is already providing support to the National Policy for promoting Transparency and Fight against Corruption. This includes a project aimed at strengthening the transparency units set-up by decentralised governments.
- UNODC has experience supporting judicial institutions in several countries in the region. It is also leading global efforts on the 2016 Doha Declaration ‘Towards the Promotion of a Culture of Legality’. In this framework UNODC coordinates a Global Network of Judicial Integrity launched in 2018.

The international organisation identified above, is currently undergoing an ex-ante assessment of its systems and procedures. Based on its compliance with the conditions in force at the time previously other indirect management actions were awarded to the organisation and based on a long-lasting problem-free cooperation, the international organisation can also now implement this action under indirect management, pending the finalisation of the ex-ante assessment, and, where necessary, subject to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation.

#### **5.4 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.5 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in EUR</b>
Indirect management with Consortium including Spain + Switzerland + UNODC <sup>31</sup>	2,900,000	
Evaluation, (cf. section 5.8)	100,000	
Audit (cf. section 5.9)/Expenditure verification	To be covered by another Decision	
<b>Total</b>	<b>3,000,000</b>	<b>TBC<sup>32</sup></b>

## 5.6 Organisational set-up and responsibilities

The project implementation team will be guided by a Steering Committee, including the Ministry of Justice and Institutional Transparency, the Judiciary, the entrusted entities, the EU Delegation and the implementing partners.

An Advisory Council will be established and is expected to include the EU Delegation, the Ministry of Justice and Institutional Transparency, the Supreme Court, the Judiciary Council and other national institutions which are beneficiary of the various project components and the main implementing partners. The exact composition will be established at the start of implementation. Other stakeholders such as academia, civil society, professional associations or other types of experts may be invited when relevant.

The Ministry of Justice and Institutional Transparency and the Judiciary will appoint project focal points each at both political and technical levels, to ensure sustainability. The focal points will be assisted by the implementing partners of the action (Spain, Switzerland and UNODC). The Ministry of Justice, as head of sector, will sign the Financing Agreement.

## 5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action (including RBA and gender), difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by

<sup>31</sup> Should the new template for Contribution Agreements (under Companion 8) not allow for including UN agencies in the implementing Consortium, Result 3 of the Action will be implemented through a different Contribution Agreement for an indicative amount of EUR 300,000.

<sup>32</sup> The contribution of Spain is currently under negotiation.

corresponding indicators, using as reference the Logframe matrix. SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). The Delegation will ensure the RBA and gender perspective in project monitoring by setting up consultation channels with CSOs and women/s organisations, ensuring adequate links with ongoing thematic projects and in sector policy dialogue, including within existing donor coordination mechanisms.

## **5.8 Evaluation**

Having regard to the nature of the action, a mid-term and final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to i) measure progress and re-assess logic of intervention in a changeable strategic and policy environment, ii) reorient where necessary activities and budgets, iii) examine the convenience and feasibility of a follow-up intervention, as this project constitutes a first step for what could become more general sector support, in line with the level of financial allocations foreseen for this focal sector in the MIP 2017-2020.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the fact that this project i) is an innovative action, ii) the first to be implemented in this focal sector under the current programming period and iii) it has being conceived as a pilot exercise of joint programming in the framework of the European Joint Strategy in Bolivia. Both the mid-term and the final evaluation will reflect how the action is being implemented from a Rights Based Approach and is contributing to gender equality and women's empowerment.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 2020 and 2022.

## 5.9 **Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

## 5.10 **Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the action and the appropriate contractual obligations.

No specific contracts for communication and visibility are foreseen in the framework of this action. The Delegation has an ongoing communication and visibility contract under another decision for the overall operations portfolio in Bolivia.

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) <sup>33]</sup> <sup>34</sup>

On the basis of this indicative logframe matrix, a more detailed logframe(s) might be developed at contracting stage linked to this AD. The indicative logframe matrix will evolve during the lifetime of the Intervention. The activities, the expected outputs and related indicators are indicative and may be updated during the implementation of the Intervention as agreed by the parties (the European Commission and the implementing partner/s).

The logframe matrix must be used for monitoring and reporting purposes. At the latest in the first progress report, implementing partner/s should include the complete logframe including all baselines and targets for each indicator. Each progress report should provide the most up to date version of the logframe as agreed by the parties (the European Commission and the implementing partner/s) with current values for each indicator. The final report should enclose the logframe with baseline and final values for each indicator.

Indicators to be presented, when possible, disaggregated by sex, age, urban/rural, disability, any disadvantaged group, income quintile etc.

	<b>Results chain: Main expected results</b>	<b>Indicators</b>	<b>Sources of data</b>	<b>Assumptions</b>
<b>Impact (Overall Objective)</b>	To contribute to the provision of equal access to justice for all and to consolidate effective, transparent and accountable institutions in the justice sector in Bolivia	<p>I. Progress of Bolivia in Global Indicators by the World Justice Project Rule of Law index (composite for, inter alia, Rule of Law adherence, absence of corruption, civil/criminal justice)*/** EU RF L1, I 4, 5</p> <p>II. Percentage of people who manifest trust in the judicial system</p> <p>III. Pre-trial detention levels (detainees without conviction/total of detainees), disaggregated by age/sex</p> <p>IV. Percentage of girls and women aged 15-49 who report physical or sexual violence by an intimate partner in the last 12 months (GAP II and SDG 5.38)*</p>	<p>I. Rule of Law index/report (World Justice Project)</p> <p>II. Latinobarómetro</p> <p>III. Data from the Penitentiary System/General Prosecutor Office</p> <p>IV. Second Survey on Violence against women<sup>35</sup></p> <p>V. National Accountability Reports, monitoring report of the National Plan</p> <p>VI. National Budgets and</p>	<i>Not applicable</i>

<sup>33</sup> Indicators aligned with the relevant programming document marked with ‘\*’ and indicators aligned to the EU Results Framework with ‘\*\*’.

<sup>34</sup> As indicated in the Logframe, Indicators included in the table will be sex/age disaggregated when relevant and possible. The project will also support this disaggregation when it does not exist through TA. Some of them will also include other disaggregation levels that allow to measure impact within persons in most vulnerable and marginalised situations (for instance people with disabilities).

<sup>35</sup> Expected to be funded through national budget or other grants.

		<p>V. Extent of implementation of the 2018-adopted ‘Sector Plan for the Comprehensive Development of Justice and Institutional Transparency (based on indicators and budgetary commitments)*</p> <p>VI. State expenditure in the justice sector (as a percentage of the National Budget)*</p>	implementation reports	
<b>Outcomes (Specific Objectives)</b>	SO 1 – To strengthen the effectiveness and transparency of the justice sector and to reinforce the fight against corruption	<p>VII. Number of judges incorporated to the Judicial Career on the basis of objective and transparent criteria, disaggregated by sex**/** EU RF L2, # 3</p> <p>VIII. Clearance rate in capital cities and provinces (percentage of resolved cases against incoming cases in a year), disaggregated by type of proceeding*</p> <p>IX. Number of judicial corruption cases referred for disciplinary or criminal proceedings after investigation and number of convictions*</p>	<p>VII. Judiciary Council registries. Public information on new judges designation procedures by the Judiciary.</p> <p>VIII. Statistical year-book of the Judiciary</p> <p>IX. Public accountability reports. Monitoring reports from civil society</p>	<ul style="list-style-type: none"> <li>✓ The Judiciary Council remains committed to the implementation of an objective and transparent judicial career beyond the first provision of posts.</li> <li>✓ Sustained coordination among the stakeholders: persistence and effectiveness of an inter-institutional mechanism (Implementation Commission).</li> <li>✓ Information about the judicial system is made available for the general public.</li> <li>✓ Levels of sector funding are increased.</li> </ul>
<b>Outputs</b>	R1. Justice operators reinforced and Judicial Career Regulation effectively implemented.	<p>1.1. Number of judges who receive continuous training through this action , disaggregated by sex</p> <p>1.2. Number of judges undergoing continuous evaluation thanks to support of this action, disaggregated by sex</p> <p>1.3 Number of courses and curricula on Judicial Reform updated with the support of this action by universities nationwide</p> <p>** EU RF L2, I3 – for all judges and judicial professionals recorded under these 3 indicators</p>	<p>1.1. Registries of the Judiciary Council, National/Departmental Courts, School of Judges/prosecutors.</p> <p>1.2. Registries of the Judiciary Council, National/Departmental Courts, School of Judges/prosecutors.</p> <p>1.3. Universities’ registries</p>	<ul style="list-style-type: none"> <li>✓ The Judiciary Council remains engaged to a judicial career including initial and continuous training.</li> <li>✓ The authorities of the judiciary prioritize the participation of officials in training programs.</li> <li>✓ Public information and monitoring mechanisms are put in place</li> <li>✓ Capacities of the School of Judges remain high.</li> <li>✓ Universities are capable of integrating and efficiently utilizing the upgraded courses.</li> </ul>
<b>Outputs</b>	R2: Capacities strengthened to streamline and computerise	2.1. Number of <i>smart</i> judicial management models implemented/updated*	2.1. Registries of the Judiciary Council/judicial	<ul style="list-style-type: none"> <li>✓ Judiciary Council provides guidance for management models</li> </ul>

	management models in an integrated way.	<p>2.2. Percentage of courts where an integrated case management information system is used thanks to support of this action</p> <p>2.3. Status of timely, representative, accurate and disaggregated statistics on the justice sector*</p> <p>** EU RF L2, # 3 – for all judges and judicial professionals recorded under these 3 indicators</p>	<p>institutions</p> <p>2.2 Data/website from the Judiciary Council/Integrated Case Management System</p> <p>2.3. Statistical year-book. Data/website from the Judiciary Council</p>	<p>rationalization and continues to support computerization tools.</p> <ul style="list-style-type: none"> <li>✓ Interinstitutional data-sharing protocols are subscribed.</li> <li>✓ Justice operators are provided directives&amp;incentives to use the IT tools.</li> <li>✓ The project has sufficient access to the IT systems of the courts.</li> </ul>
<b>Outputs</b>	R3: National action plan against corruption in the justice sector designed and under implementation.	<p>3.1. Status of a corruption diagnosis report supported by the action</p> <p>3.2. Status of a system for verification&amp; monitoring of the declarations of assets by judicial public servants thanks to support of this action*</p> <p>3.3. Number of justice operators who have participated in at least 2 activities of the training program (disaggregated by sex)**EU RF L2 I3</p> <p>3.4. Number of Universities having considered integrity &amp; corruption prevention matters for integration in curricula thanks to support of this action</p>	<p>3.1. Judiciary Council Registries/National Transparency Unit/Supreme Court</p> <p>3.2. Declaration of Assets monitoring system</p> <p>3.3. Registry of, training courses. Online surveys, project evaluations.</p> <p>3.4. Universities' registries and communication with the project</p>	<ul style="list-style-type: none"> <li>✓ Political commitment to fight against corruption, across State powers is solid.</li> <li>✓ The system of verification of declarations is supported legally and institutionally by the authorities.</li> <li>✓ The judicial authorities have an interest in measuring trust among users.</li> <li>✓ Justice operators can participate in activities including surveys, questionnaires and / or focus groups.</li> <li>✓ Oversight mechanisms are in place and monitoring levels by civil society is maintained.</li> </ul>
<b>Outcomes (Specific Objectives)</b>	SO2: To enhance access to Justice for women and people in situations of vulnerability	<p>X. Coverage of public defence services: Number of Courts which have public defence services*/** EU RF L2, I3</p> <p>XI. Percentage of cases of gender and sexual-based violence against women and children that are investigated and end with a judicial decision (GAP II and SDG 5.39)</p> <p>XII. Budgetary allocations to the General Directorate against Gender and Generational Violence</p>	<p>X. Data from SEPDEP/Sevdavi/Sijplu + Penitentiary Regime/General Prosecutor Office.</p> <p>XI. Prosecutor Office annual report</p> <p>XII. National Budgets and implementation reports</p>	<ul style="list-style-type: none"> <li>✓ State continues to provide financial support to public legal services.</li> <li>✓ VAWG levels do not increase.</li> <li>✓ Government conducts a second National Survey on Violence against women in line with the 'Comprehensive Public Policy' commitments.</li> </ul>

<p><b>Outputs</b></p>	<p>R4: Coverage and quality of legal aid services improved</p>	<p>4.1. Number of public defenders trained by this action on more effective legal aid (disaggregated by sex)**EU RF L2 I3</p> <p>4.2. Number of IT tools for public defenders developed/updated by this action</p> <p>4.3. Number of 'access to justice' pilot initiatives targeting persons in most vulnerable situations implemented with the support of this action</p>	<p>4.1. Data from SEPDEP/Sepdavi/Sijplu + Penitentiary Regime</p> <p>4.2. Data from SEPDEP/Sepdavi/Sijplu</p> <p>4.3. Baseline and endline assessments to be commissioned by this action.</p>	<ul style="list-style-type: none"> <li>✓ SEPDEP, Sepdavi, Sijplu increase coordination &amp; subsequent coverage.</li> <li>✓ Level of funding and staff of public defence institutions is maintained, contractual arrangements increase staff stability.</li> <li>✓ Public defenders dispose of enough time and institutional approval to participate in trainings and receive specialised TA.</li> </ul>
<p><b>Outputs</b></p>	<p>R5: The gender perspective is strengthened within the Judiciary and its 2016 Gender Protocol is effectively applied</p>	<p>5.1. Number of toolkits to implement the Gender Protocol developed with the support of this action</p> <p>5.2. Number of justice actors trained by this action on gender and LGBTI discrimination (disaggregated by sex)** EU RF L2, # 3</p> <p>5.3. Number of statistical reports produced by the gender observatory with the support of this action</p>	<p>5.1. Gender Committee registries</p> <p>5.2. Data from judiciary and Constitutional Courts (Supreme Court, Agroenvironmental Courts and Judiciary Council) , School of Judges</p> <p>5.3. Gender Committee annual report</p>	<ul style="list-style-type: none"> <li>✓ The Gender Committee of the Judiciary meets on a regular basis and is granted political/institutional support including to apply their protocols across institutions.</li> <li>✓ Gender Committee members have time to consecrate. Gender Committee integrates male high judicial authorities.</li> <li>✓ Judges/other justice operators have will/availability to apply the protocol and participate in project activities.</li> </ul>
<p><b>Outputs</b></p>	<p>R6: Comprehensive services to victims of gender-based violence are enhanced</p>	<p>6.1. Geographic coverage (N. of departments / municipalities) with integral assistance services for victims of VAWG**/** EU RF L2, # 4 – for all victims or applicants benefitting</p> <p>6.2. Number of statistical reports of the RUV produced with the support of this action</p> <p>6.3. Number of SIPPASE system operators trained in attention to complaints through this action (disaggregated by sex)</p>	<p>6.1. General Directorate against Gender and Generational Violence. SIPPASE data</p> <p>6.2. General Directorate against Gender and Generational Violence, RUV</p> <p>6.3: Registries from General Directorate against Gender and Generational Violence</p>	<ul style="list-style-type: none"> <li>✓ SIPPASE mechanism continuous to receive political backing as an interinstitutional mechanism.</li> <li>✓ Women and girls victims of violence continue to denounce.</li> <li>✓ Existence of public information about VAWG cases and processes.</li> <li>✓ Specialized staff to implement SIPPASE mechanism is available/willing to participate in trainings.</li> <li>✓ RUV receives sufficient funds after the project's support.</li> <li>✓ Resources are devoted for the extension of coverage of services to the 105 municipalities.</li> </ul>



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**ANNEX II**

of the Commission Implementing Decision on the financing of the annual action programme 2018 and 2019 – part I - in favour of Bolivia to be financed from the general budget of the Union

**Action Document for sanitation in small communities and water resilience in cities**

**ANNUAL PROGRAMME**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<b>1. Title/basic act/ CRIS number</b>	Sanitation in small communities and water resilience in cities CRIS number: LA/2018/040-019 financed under the Development Cooperation Instrument	
<b>2. Zone benefiting from the action/location</b>	Bolivia The action shall be carried out at the following location: Bolivia	
<b>3. Programming document</b>	Multiannual Indicative Programme 2017-2020 for Bolivia	
<b>4. SDGs</b>	SDG N6 "Ensure availability and sustainable management of water and sanitation for all", targets 6.1, 6.2, 6.3. SDG N5 "Achieve gender equality and empower all women and girls" and SDG N13" Take urgent action to combat climate change and its impacts"	
<b>5. Sector of intervention/ thematic area</b>	Sector 3: water, sanitation and natural resources management	DEV. Assistance: YES
<b>6. Amounts concerned</b>	Total amount of EU budget contribution is EUR 35,000,000 of which: Component 1 – EUR 20,000,000 for budget support and Component 2 – EUR 15,000,000 for project "Water resilience in cities" through a Contribution Agreement with AECID.  Other part of project "Water resilience in cities" is financed by: <ul style="list-style-type: none"> <li>▪ Inter-American Development Bank: USD 100,000,000</li> <li>▪ FONPRODE<sup>1</sup>: USD 30,000,000</li> </ul>	

<sup>1</sup> Fondo para la Promoción del Desarrollo de la AECID

	<ul style="list-style-type: none"> <li>Spanish Agency for International Development Cooperation (AECID): EUR 3,000,000</li> </ul>			
<b>7. Aid modality(ies) and implementation modality(ies)</b>	Budget Support and Project Modality <b>Direct management</b> through: - Budget Support: Sector Reform Performance Contract  <b>Indirect management</b> through a Contribution Agreement with the Spanish Agency for International Development Cooperation (AECID)			
<b>8 a) DAC code(s)</b>	14020 (80%) 14032 (5.3%) 14081 (6.1%), 12261 (3.2%), 15170 (2.4%)			
<b>b) Main Delivery Channel</b>	Recipient Government- 12000 Third Country Government – Delegated Cooperation-13000			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	x	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	x	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	x	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagships</b>				

## SUMMARY

Bolivia's Patriotic Agenda 2025 and the Economic and Social Development Plan 2016-2020<sup>2</sup> set ambitious targets for 2020 and 2025 regarding the universalization of public services, including water and sanitation. However, whereas access to water has made significant progress in the last years and even surpassed the MDG target, access to sanitation is lagging behind.

At the same time, Bolivia is increasingly prone to climate change related events, namely droughts and floods. The drought that affected urban areas in 2016 made the population and the government aware of the high vulnerability to water distresses, due to low storage capacity and a mismatch between water supply and demand. Furthermore, the lack of treatment capacity for wastewater poses significant stress on the environment and threatens clean water sources.

In line with the above and, with an overall objective of making effective the human right of access to drinking water and sanitation improving the quality of life and responding to the needs

<sup>2</sup> [http://www.planificacion.gob.bo/uploads/PDES\\_INGLES.pdf](http://www.planificacion.gob.bo/uploads/PDES_INGLES.pdf)

of the Bolivian population, this Action proposes a twofold intervention that will be implemented simultaneously under the same Financing Agreement with the Government of Bolivia:

- Continued support to the Sectoral Plan for the Development of Basic Sanitation 2016-2020 of the Government of Bolivia, through a Sector Reform Performance Contract (SRPC) of EUR 20 million. Through this support, the EU will contribute to bridge the still important gap in sanitation coverage, focusing in rural and small communities of up to 10,000 inhabitants, where needs are the highest. The SRPC will also support the development of community level capacity regarding health and hygiene matters linked to sanitation.
- A large scale intervention to improve cities' resilience to water shortages, with an EU contribution of EUR 15 million. This will take the form of a Contribution Agreement with a leading European bilateral agency with strong expertise in the sector.

Special attention will be paid to gender, taking into account the leadership of women in rural communities and at household level. The Action will also help to prevent school abandonment of girls due to lack of sanitation facilities in education centres.

## 1 CONTEXT ANALYSIS

### 1.1 Context Description

Bolivia is a land-locked country with a relatively scattered population of 10,059,856 inhabitants (5,040,409 women and 5,019,447 men), 67.5% living in urban and 32.5% in rural areas. Indigenous people in urban areas represent 27% of total population whilst 73% of people in rural areas belong to indigenous communities. The country is divided into nine departments and 339 municipalities, having a wide array of climate and geographic conditions. Urbanization rates keep increasing; however, there remain over 3.2 million inhabitants in rural areas.

#### Sanitation in rural areas and small communities

Government reports from 2017<sup>3</sup> show that access to safe drinking water reached 85.6% of population, whilst only 59.2% of population had access to improved sanitation. This inequality clearly exacerbates in rural (less than 2,000 inhabitants) and small communities (between 2,001 and 10,000 inhabitants), where sanitation coverage is at times as low as 15% (2.1 M of rural population lacks access to sanitation). Primary health centers in rural areas do not always have adequate sanitary facilities and very few schools have adequate sanitation facilities for girls.

Moreover, in Bolivia, sanitation is considered a private matter that few people dare to speak about and demand. Water is more popular, easier to address and invest on. As a consequence, public and private investments in the country tend to prioritize water projects whereas sanitation interventions remain underfunded, especially in rural areas, where needs are the highest, interventions more costly and stigmatization greater.

Around 77,600 children under 5 die from diarrhoeal and its consequences in Latin America and the Caribbean; this means over 200 daily deaths<sup>4</sup>. In Bolivia, waterborne diseases reached

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<sup>3</sup> Viceministry of Drinking Water and Basic Sanitation (VAPSB) based on reports from MEW, FPS, EPSAS, AEV, ONGs and population projections by INE. [p] Preliminar data from EPSA on June 2018 and Mi Agua programme from MEW on 19/12/2017.

<sup>4</sup> Charting a Future for Health in the Americas-Quadrennial Report of the Director (Washington, DC: OPS, 2002)

831,861 cases in 2017, out of which 514,080 affected children under five<sup>5</sup>. This has a greater impact in women, who are responsible for childcare in 90% of households<sup>6</sup>.

In Bolivia, the environmental and sanitary impact of open-air defecation is compounded by sanitation solutions that do not often count with appropriate waste disposal. So, even when sanitation exists, soil and water contamination may still be a problem – and a hazard to health –, particularly in less populated communities across the country, which may receive less funding or support with advanced technologies.

Last, lack of sanitation represents a great economic loss for the Bolivian economy. In 2014, these amounted to USD 1,278.5 million, representing 3.97% of the national GDP. The main losses correspond to health (46% of total costs) and the opportunity cost of time (34.5%). These adverse conditions affect mostly the poorest and most vulnerable demographic segments, namely in peri-urban and rural isolated areas, and children under five.<sup>7</sup>

### Water resilience in cities

Water coverage in urban areas reached 89.91% in 2001, 90.17% in 2012, and 94% of Bolivian population in 2017. The accelerated urbanization process of the last years has significantly modified the population volume and composition in cities and the pattern of settlements in the Bolivian territory, with urban areas that grow three times faster than rural ones. This has resulted in 35 cities in which 88% of the urban population live.

Increasing temperature, glacier depletion and demographic pressure in urban centres are starting to generate profound changes in the country's water balance, affecting its capacity to guarantee a reliable and continuous water supply to match needs. Since the water crisis of 2016, the government of Bolivia has drafted a drought preparedness plan for urban centers and metropolitan and municipal master plans to reduce climate adversities. Similarly, water catching and storage works are being implemented. However, national efforts to ensure water supply need to be reinforced and followed by appropriate disposal and wastewater treatment, with a focus on reuse, which at the moment is lacking.

## **1.2 Policy Framework (Global, EU)**

This Action is fully aligned with the sectoral Bolivian policies, as well as with the EU MIP 2017-2020 for Bolivia, sector 3 “Water, Sanitation and Natural Resources Management”. Sector 3 specifically aims at supporting Bolivia's efforts toward integrated water resource management, including access to water and sanitation services and related economic opportunities, while ensuring environmental sustainability and climate change adaptation and mitigation.

The Action will contribute to the progressive achievement of Sustainable Development Goal N.6, "Ensure availability and sustainable management of water and sanitation for all", Goal N.5 on Gender Equality and Goal N. 13 on Climate Change.

There is also alignment with the EU Gender Action Plan 2016-2020, priority “Economic, Social and Cultural Rights-Economic and Social Empowerment, objective 16, “equal access and control over clean water, energy, transport infrastructure, and equitable engagement in their

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<sup>5</sup> Ministerio de Salud-Unidad de Salud Ambiental- Registro de EDA 2017.

<sup>6</sup> Rostros y Rostros de la Situación de los Niños, Niñas, Adolescentes y Jóvenes en Bolivia. Plan Internacional Bolivia, 2014

<sup>7</sup> World Bank-Economics of Sanitation Initiative: Evaluación del Impacto Económico del Saneamiento en Bolivia 2015.

management, enjoyed by girls and women” and with the new Consensus on Development, of June 2017, which stresses the importance of water and sanitation with relation to health, especially of children, articles 24-26.

Finally, by making use of two financing modalities i) project approach and ii) budget support, the Action takes on board the principle of the Addis Ababa Agenda on Financing for Development, which advocates for multi-stakeholders partnerships in alignment with national policies and priorities..

### 1.3 Public Policy Analysis of the partner country

Bolivian Patriotic Agenda (Law No.650 of 2015) sets at 2025 the limit to reach universal coverage on water and sanitation (pillar n. 2 “Socialization and Universalization of Basic Services”). Meanwhile, the Economic and Social Development Plan (PDES) 2016-2020 (Law N. 786 of 2016) aims at *95% coverage of drinking water in urban and 80% in rural areas; and 70% coverage of sanitary sewerage in the urban and 60% in the rural areas by 2020.*

Additionally, Bolivia National Determined Contributions to the Climate Change Agenda to 2030 have a strong focus on water, whereby climate change water related adaptation and mitigation actions will be measured through the *National Index of Adaptation Capacity of Water.*

In this framework, the **Sectoral Plan for the Development of Basic Sanitation 2016-2020** (PSD-SB 2016-2020) of the Ministry of Environment and Water (MEW) is the operational document guiding the sector in terms of targets and investment planning to 2020; the sector Performance Assessment Framework (PAF- 2016-2020) of the VAPSB<sup>8</sup>, dated January 2018, is the official reference document to measure the performance of the sector, in conformity with policies, indicators and targets. To help collect and assess water and sanitation data in rural areas, the MEW recently joined a regional on-line information system, “SIASAR- Information System on Rural Water and Sanitation”, with eight more Latin American countries.

In order to complement the PSD-SB 2016-2020, which mostly addresses infrastructure, the Ministry of Environment and Water recently issued a strategy on water and sanitation for rural areas and small communities of up to 10,000 inhabitants<sup>9</sup>, which incorporates sanitation facilities in rural schools and health centres. The Ministry is also drafting a wastewater treatment strategy to address the low levels of wastewater treatment, with a focus on reuse. Other sector Guides have been published by the MEW on crosscutting issues, e.g. water and environment, climate change or gender.

The PSD-SB 2016-2020 sets annual financing needs to 2020. They amount to USD 2,028 million, with ca. USD 1,343 million (or 66%) yet to be secured up to 2020. MEW reliance on external funding (through loans and external grants) for both current expenditures and investment is diminishing, reflecting an increased participation from the national treasury (from 9% in 2014 to 34.9% in 2017), and showing the government commitment to the sector.

Considering that the national policy is relevant to the needs of the population and aligned to the SDGs, that financing needs are well defined and increasingly covered by national resources, that exists a performance assessment / monitoring and evaluation framework and that institutional

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<sup>8</sup> Vice-Ministry of Drinking Water and Basic Sanitation

<sup>9</sup> Estrategia Nacional de Agua y Saneamiento para el Área Rural y Pequeñas Localidades

capacity has proved adequate to date; taking into account the steady track record in sector policy implementation at national level, this Delegation deems the sector policy credible and relevant, as it supports the objectives of poverty reduction, sustainable and inclusive growth, and democratic governance. Additional and more detailed analysis is provided in Annex 3 (document on public policy eligibility assessment), as per the 2017 Budget Support Guidelines.

#### 1.4 Stakeholder analysis

The Ministry of Environment and Water (MEW) is the main duty-bearer for this Action, a signatory of the Financing Agreement and direct implementer of the budget support component. Through the Vice-Ministry of Drinking Water and Basic Sanitation, it regulates the sector, drafting policies and supervising execution. The Ministry will implement and report on the Sector Reform Performance Contract under the Action and coordinate closely with the AECID the implementation of the EU contribution to the project of Water resilience in cities.

In addition to the MEW, other duty-bearers' institutions exist to regulate, operate and supervise water and sanitation interventions. The Implementing Entity for Environment and Water (*EMAGUA*) implements and monitors water and sanitation investment projects. The Authority for the Supervision and Social Control of Drinking Water and Basic Sanitation (*AAPS*) oversees, inspects and regulates activities of the services providers –EPSAs – aiming to guarantee supply and access rights to consumers, while ensuring appropriate management of water resources. The National Service for the Sustainability of Sanitation Services (*SENASBA*) aims to provide institutional strengthening, technical assistance and community development to service providers, EPSAs, which have the closest interaction with direct beneficiaries. The creation of SENASBA in 2008 was a turning point for the sector, which was until then exclusively focusing on infrastructure. However, it is the weakest institution in the sector, with limited capacity.

The Ministry of Health is drafting an agreement with the Ministry of Environment and Water to ensure improved health through safe water and sanitation interventions. The Ministry of Development Planning coordinates international cooperation interventions and is co-signatory of Financing Agreements. The Ministry of Economy and Public Finance allocates financial resources from the national treasury, in the framework of the priorities identified in the PDES and of execution rates from previous years.

At subnational level, Autonomous Departmental Governments (*GADs*) represent the intermediate level of government and co-finance water and sanitation interventions, while Autonomous Municipal Governments (*GAMs*) represent the lowest sub-national level and are responsible for the identification, design and co-funding (up to 30%) of projects. However, capacities at the municipal level remain limited both in technical and financial terms.

Right holders include women, men and children from rural and urban areas and will be the main beneficiaries of the Action. Interventions under Budget Support will be preceded by community level-capacity building and demand generation, which will contribute to ensure need-based interventions. Women and children will have an important role: the former as decision makers and the latter in communication and awareness raising at household level. It is estimated that over 121,000 adults and children<sup>10</sup> will be benefitted from the Budget Support component. Interventions in urban communities, under the large scale project, will be preceded by formal social, economic and environmental consultations according to the Inter-American Development

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<sup>10</sup> National targets indicated in the Performance Assessment Framework

Bank policies (Directive B6 of OP-703). These involve consultations with right holders in an equitable and inclusive manner with the views of all, including indigenous peoples, vulnerable groups and equal participation of women and men, in line with the principle of non-discrimination for the indigenous population, *campesinos* and the Afro-Bolivian minority population included in the 2009 Constitution. They also include a service for claims and complaints.

The donor community in Bolivia has been long involved in the sector, with a number of cooperation agencies and development banks financing investments and providing technical assistance to the government at the national and subnational levels. Although infrastructure investments in the sector have kept an upward trend, technical assistance remains limited at present, with few donor agencies (mainly World Bank, GIZ, IADB) providing support.

## **1.5 Problem analysis and priority areas for support**

### *a. Sanitation in rural areas and small communities*

National gaps in sanitation coverage remain significant, especially in rural areas. If rural sanitation coverage keeps growing at the current pace, universal coverage would only be achieved in 2060<sup>11</sup>. Bolivia remains the country in South America with the largest proportion of population practicing open air defecation, mainly in rural areas, with consequent negative impacts on health, education, environment and the economy, affecting mostly children and women. Primary health centres in rural areas do not always have adequate sanitary facilities, which represent a major constraint for appropriate hygiene behaviour. Only very few schools have gender segregated sanitation facilities and are fully functioning, “girl-friendly” and well maintained. In the primary school curriculum, menstruation, puberty, hygiene promotion and hand-washing practices are not explicitly mentioned or covered. Poor sanitary conditions at schools contribute to school abandonment, particularly for girls. Moreover, girls and women from rural remote areas may also be subject to sexual violence when practicing open air defecation, putting their physical, mental and economic wellbeing at risk.

The Action will intervene, through Budget Support, with conventional and non-conventional sanitation solutions in communities of up to 10,000 inhabitants, with less than 40% sanitation coverage. Interventions will benefit communities in a comprehensive manner, at household level, schools and health centres, in alignment with the national strategy for water and sanitation in rural areas and small communities. Capacity development will be provided on efficient and adequate use of water and sanitation facilities; water, sanitation and hygiene promotion; waterborne diseases prevention; solid waste management, etc., according to the Guide on environmental and sanitary education<sup>12</sup>. Increased access to sanitation, coupled with increased number of families connecting to sanitation facilities through payment of tariffs, improved hygiene practices, knowledge and behaviour change will enhance health of beneficiaries thus allow children to regularly attend school as well as increase participation of adults –women and men – in their economic activities (see 1.1). Sustainability of large networks (conventional sanitation) will be ensured with public funds whereas non-conventional sanitation is maintained by users. Co-responsibility for the use and maintenance of the systems will be promoted, particularly with community development provided to municipalities and final beneficiaries.

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<sup>11</sup> UNICEF- Joint Monitoring Program, 1990-2015

<sup>12</sup> SENASBA, 2015

## *b. Water resilience in cities*

According to the National Authority for Drinking Water and Sanitation (AAPS), almost 50% of the regulated Water and Sanitation Services Providers (EPSAs) have no capacity to provide continuous service and mitigate operational interruptions; this is not only due to lack of infrastructure, but also to their weak planning and management capacity. Moreover, some EPSAs have financial limitations to make the necessary investments to face climate change events e.g. droughts, floods etc., which proved evident during the water crisis that took place in main urban cities in 2016, showing the country's poor resilience.

At the same time, according to a national inventory on wastewater treatment plants carried out with LAIF funds<sup>13</sup>, out of the 219 existing wastewater treatment plants in the country, 90 are out service, 23 are in poor conditions and 58 are operating to a limited extent. Ultimately, 78% of the wastewater treatment plants do not operate or are underutilized, due to lack of maintenance or overflows, leaving 66% of population not covered by water treatment<sup>14</sup>.

In order to enhance resilience in urban areas, the Action will include a large scale project in cities with a comprehensive set of components that involve infrastructure, operation and management of the systems, pre-investment studies, technical assistance, institutional strengthening as well as capacity development. The EUD recognises the importance of climate-proof infrastructure and will advocate with the implementing partner to take it into consideration any time possible. The EU will contribute with EUR 15 million to support two components (infrastructure and pre-investment studies), with a particular focus on sanitation infrastructure, ensuring coherence, coordination and complementarity between donors and with the objectives of the budget support operation.

## **1.6 Other areas of assessment**

### **1.6.1 Fundamental values**

Bolivia has ratified the main universal treaties and international agreements in the field of human rights, including the right to water and sanitation. The Constitution and national legal framework provide strong human rights guarantees, including on non-discrimination and fundamental freedoms. The 2009 Constitution also provided unprecedented protection of the rights of indigenous people and the Afro-Bolivian minority, but natural resource exploitation on indigenous lands remains a main cause of conflict. In 2013 and 2014 the Government of Bolivia passed new legislation on violence against women, trafficking and sexual violence, family, children and adolescents, and a national plan to address racism and discrimination. The challenge ahead is the effective implementation of these laws.

The adoption of a law in 2013, imposing a number of new legal requirements for civil society organisations to obtain legal status, was perceived by many as an attempt to restrict and control Bolivia's broadly-based and active civil society<sup>15</sup>. The EU Delegation maintains a constant dialogue with civil society and the government, and will monitor the situation to identify any possible deterioration in a timely manner.

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<sup>13</sup> Latin American Investment Fund of the EU – contract DCI-ALA/2013/319-515

<sup>14</sup> Source: Sectoral Plan for the Development of Basic Sanitation 2016-2020

<sup>15</sup> Law n.351: In May 2015, the United Nations Special Rapporteur on the rights to freedom of peaceful assembly and of association described the law as a restriction on the freedom of association. The Ombudsman appealed to the Constitutional Tribunal, though so far without response.

Despite the country's legal, regulatory, and institutional framework covering all aspects linked to the enforcement of anti-corruption activities, Bolivia ranked 112/176 in the 2017 corruption perception index, worse than the regional average, and compared to previous years the situation is deteriorating.

Given that Bolivia's risk profile is generally acceptable, Bolivia is considered eligible for Sector Reform Performance Contracts-SRPC. This instrument has allowed the EU considerable access and leverage vis-a-vis the government, with good achievement rates for indicators. Nevertheless, challenges remain in strengthening institutional capacity in some partner institutions and political prioritization of specific areas of cooperation.

### **1.6.2** *Macroeconomic policy*

Bolivia's authorities have been pursuing macroeconomic policies oriented to stabilization, growth and expansion of GDP while reducing poverty and inequality through conditional transfers and subsidies. These policies are considered relevant and credible by the local authorities. Nevertheless, the IMF does not fully endorse some of the local policies considering them restrictive (subsidies, exchange rate, investment climate) and, to some extent, risky (fiscal deficit, external debt, NIR management policies). Despite some criticisms, the bottom line is the Bolivian economy will still be one of the fastest growing economies in the region. There is no question that the country is doing well, but with some straightforward, ideologically-free actions they could be doing much better.

The fiscal position has been relatively strong during the last decade (twin surpluses during 2006-2013) until 2014, when the country experienced a turning point. An 8.8% fiscal deficit for 2018 is expected. The government explains this increase by citing the higher public investment figures to reach the goals in its Agenda 2025. On the monetary side, the Central Bank will continue to pursue expansionary monetary policy in close coordination with the MEPPF. The Central Bank policies aim to maintain the stability of the purchasing power of local currency, controlling inflation and fostering economic development.

Inflation reached 2.72% in 2017 (5% target), one of the lowest rates in the region. Despite the adverse climate that increased food prices and the pressure of a strong consumer (internal) demand, price increases were contained. The exchange regimen is a crawling peg that works as a "de facto" fixed regimen (no exchange rate variations since 2011). According to the IMF, the Real Effective Exchange Rate (REER) is overvalued by 26%, thus reducing competitiveness.

The current account deficit (5.8% in 2017, IMF) is explained mainly by a negative trade balance as a result of international commodities price falls, an adverse economic climate, affecting key trading partners, and an over-valued local currency. External debt reached 21.2% of GDP in 2016 and increased to 24.9% of GDP in 2017, with the main creditors being the CAF, the IADB and the WB. If internal debt is included, total gross Non-Financial Public Sector (NFPS) debt climbs to approximately 49.8% of GDP (IMF), still below international thresholds.

As for economic growth, despite the lagged effect of the collapse in oil prices, the economy managed to grow 4% in 2017 (4.7% forecasted), the highest growth in South America. As in the previous years, the main drivers were public investment and internal demand (private consumption), aided by public transfers and subsidies. Foreign Direct Investment (FDI) is becoming a concern. The lack of incentives for private (local and external) investors has become a bottle-neck that needs to be addressed in a very competitive regional environment, where investment incentives are the rule and not the exception.

As in previous years, the main challenge for the government is to reach the goals of its ambitious development agenda without endangering the sustainability of its economy, in a context of increasing debt and insufficient recovery of export-related income. All this while dealing with twin deficits, increasing pressure on the exchange rate and a loss of international reserves.

Regarding Domestic Revenue Mobilisation (DRM), Bolivia has a high tax ratio (28.7% of GDP). The growth rate of tax collection by the National Tax Service and the revenue collection of trade-related taxes grew fast until 2014, when they started to decline due to adverse international climate and the slowdown of the internal economy. Nevertheless, ongoing efforts promoting tax base expansion, reduction of tax evasion, technological innovation and more efficient trade control systems intend to promote domestic revenue mobilisation towards fiscal autonomy. Furthermore, recent oil price recovery is contributing to improve income collection.

As a corollary, one of the major challenges facing the government is reaching its ambitious goals of its development agenda without jeopardizing the sustainability of its economy, in a context of increasing debt and declining export-related income. All this while dealing with twin deficits, increasing pressure on the exchange rate and a rapid loss of international reserves that is far from being resolved.

Based on the analysis performed and the information available, it is concluded that the government of Bolivia is pursuing a credible and relevant macroeconomic policy, aimed at stability, promoting fiscal and external sustainability.

### **1.6.3 Public Financial Management (PFM)**

The EU started to formally promote the implementation of Sector Budget Support (SBS) as a preferred tool for bilateral cooperation with Bolivia back in 2007. The history of documented progress in the field of PFM in Bolivia started at the same time, to provide the necessary information to prove the eligibility of the country for budget support.

In 2009 a formal Public Expenditure and Financial Accountability (PEFA) assessment was conducted by the WB and IADB. The results were made available to the donor community in 2010. Consequently, the Government of Bolivia prepared and presented, in April 2011, a PFM reform plan known as the Action Plan for the Improvement of Public Finance Management (PAMGFP). In June 2014, the Ministry of Economy and Public Finance (MEFP) published an update of the PAMGFP. Both plans received EU technical assistance.

In 2017, the EU Delegation and Belgian Technical Cooperation (BTC) offered the MEFP support in the elaboration of a new plan to continue the improvement in PFM. The field work began in early 2018 and currently the final version is being validated by the participating institutions and the MEFP. The formal presentation of the new plan is expected in mid-October 2018.

This plan involved six institutions with close relation to the PFM cycle and includes actions for an 18 to 24 month period. It is organized under the new PEFA (2016) structure. Since the objectives of an improvement plan of public finance management are directly related to an aggregate fiscal discipline, a strategic allocation of resources and an efficient service delivery, the plan will use the PEFA seven pillars of performance in an open and orderly PFM system. The elaboration of a new PEFA assessment, during the period of implementation of the plan, is expected to be considered by the MEFP.

Despite the absence of a new PEFA assessment, the Delegation consider the new action plan highly relevant since it represents the continuity of an effort that started with the first PEFA exercise back in 2009. As for its credibility, the mentioned plan is recognized as credible since it includes a list of improvements for a period of 18 to 24 months compatible with the actual PFM agenda. All the involved institutions acknowledged the importance of the plan and are in the process of endorsing the activities and actions contained in it.

Based on this information, the EU Delegation in Bolivia deems progress in the management of public finance systems satisfactory. As a consequence, it confirms that the eligibility criteria have been met.

#### 1.6.4 *Transparency and oversight of the budget*

Concerning budgetary transparency, the government of Bolivia meets the basic condition, since the MEFP has published the 2018 Budget Bill and made it available to the public. The process is predictable and efforts are deployed to further facilitate access to budget information. The budget formulation process follows an established schedule, directed by the MEFP and coordinated with Vice-Ministry of Public Investment and External Finance (VIPFE) and all public institutions. The MEFP prepares the Bill and submits it to the Plurinational Assembly. Once the Bill is approved, the President enacts the Law, which is official and binding once it is published.

According to the IMF, Bolivia has advanced significantly in fiscal transparency following the adoption of the new Political Constitution. With respect to the fiscal information prepared by the MEFP, various measures were introduced to make the preparation and publication of fiscal information more transparent, allowing for the availability of ample information on macro-fiscal indicators, budgetary execution and the financial statements of all public sector entities.

Although the Delegation recognizes that further improvements are needed, it also commends the efforts of the Bolivian government on improving the transparency and the oversight of the budget. Consequently, the Delegation considers that the fourth eligibility criterion, i.e. budgetary transparency and oversight of the budget, is fulfilled.

## 2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Drought	M	Since the 2016 crisis, the government has been drafting resilience strategies to cope with future droughts. The Action, particularly the project on water resilience in cities, will address water supply/demand issues in order to ensure continuous supply in urban areas.
Limited demand and capacity of co-payment by beneficiaries	M	Sanitation interventions are usually demand-based and co-funded by direct beneficiaries and municipalities. DESCOM (Community Development) will be implemented by the MEW in order to create demand and promote empowerment. In extremely poor communities, co-payment may be waived.
Social resistance to build wastewater treatment plants in nearby locations	M	Wastewater treatment plants will be built based on Master Plans already approved by municipalities. The Delegation will advocate for including climate-

		proof infrastructure.
Violation of human rights due to force displacement for infrastructure intervention, discrimination of indigenous peoples, etc.	L	<p>Formal social, economic and environmental consultations have already been carried out according to the Inter-American Development Bank policies (Directive B6 of OP-703) for the large scale project (see page 6).</p> <p>For the budget support, community development for creation of demand precedes all sanitation interventions in Bolivia. Moreover, co-payment by beneficiaries is usually ensured which guarantees demand-based interventions.</p>
Limited capacity for the operation and maintenance of wastewater treatment plants	M	<p>Operation and maintenance of wastewater treatment plans will be formulated and budgeted prior to interventions, during the projects design phase. The EU and AECID ongoing Technical Assistances to the MEW and the ENTAR<sup>16</sup> will fill the “knowledge” gap at institutional level. The DEL will advocate for adequate State budgeting for O&amp;M.</p>
Limited sustainability of the interventions	L	<p>The water sector is highly subsidized. However, the government of Bolivia is making some progress in addressing sustainability of the systems by amending the 2000 Water Law and including water pricing. Through the big scale project on water resilience in cities, the government will address water supply/demand as well as institutional strengthening to support service providers ensure continuous access to water and better services. Through the Budget Support, the government will provide community development to final users and capacity development to municipalities</p> <p>The EU TA will also promote sustainability through capacity development on the co-responsibility of use and maintenance to sub-national entities,</p>
Limited technical capacity to execute the intervention	L	<p>Capacities of implementing institutions have been strengthened during the last years with strong support from various Technical Assistances. The EU has currently a long term TA to the MEW. Institutional strengthening at sub-national level will be implemented and measured with specific indicators and targets.</p>
Politicization of interventions	L	<p>The Financing Agreement will be formulated taking into account previously agreed criteria for prioritization of beneficiary communities, based on access to basic services.</p>
Low commitment and capacity to implement gender mainstreaming in activities	M	<p>The Technical Assistance to the MEW will provide capacity building on gender to government staff involved in the Action. A gender indicator (N. 4)</p>

<sup>16</sup> National Strategy on Wastewater Treatment Plants

		and related target has been included in the budget support component
Low participation of women in activities and decision-making processes	L	A specific indicator on women participation will be included in the BS component (N.4).
<b>Assumptions</b>		
There exists political will to: i) invest in the sector by prioritizing interventions in sanitation in rural areas; ii) allocate sufficient resources to achieve national targets by 2020 and 2025 and; iii) ensure high quality Community Development (DESCOM) during the pre-investment, investment and post-investment phases.		

### 3 LESSONS LEARNT AND COMPLEMENTARITY

#### 3.1 Lessons learnt

Lessons learnt over the years have shown that investments exclusively focused on infrastructure, particularly sanitation, do not guarantee behaviour change in hygiene habits and sustainable health improvements. Based on monitoring missions of previous budget support programmes, it remains evident that sanitation facilities are not always used for their main purpose. Sometimes toilets are not used at all e.g. "because they are too cold"; or because they have been repurposed (as storage rooms, barns, farming areas etc.).

It has been observed that actions with a strong and early involvement of beneficiaries from the conceptual design achieved better results when it came to adoption of improved hygiene behaviour. Similarly, it has been observed that community development programmes that accompany sanitation interventions with a special focus on children, who are fundamental communication channels within families, and women, taking into account their leadership role in rural communities, have better results in changing health and hygiene habits.

Beneficiaries' commitment is usually ensured through their contribution to the project in the form of co-payment, be it in the form of cash or work, taking into consideration poverty levels. In Bolivia, water and sanitation interventions are usually demanded and co-funded by municipalities themselves and a co-payment may range from 5% to 50% based on local contribution capacity.

One of the main obstacles to the sector sustainability in the country is the weak capacity at sub-national level, both in terms of financial and human resources. Water and sanitation projects presented to central government from rural communities are usually of poor quality. Likewise, once interventions are concluded, operation and maintenance is not usually performed. To avoid this, institutional strengthening at sub-national level (municipalities) will be conducted on project design, water and sanitation, operation and maintenance of infrastructure, including budgeting, project design, gender mainstreaming, etc. and measured through Indicator N.5 of the budget support component.

In the case of large scale water and sanitation projects in urban areas, there is increased awareness on the need to design interventions that take into account three main aspects: urbanization growing rates, climate change events, namely severe droughts, and water demand/supply, ensuring continuous service, with a focus on water reuse.

Ultimately, previous actions show that it is necessary to take into account not only infrastructure facilities (water and sanitation, sewerage systems, wastewater treatment plants, etc.) but also "soft" activities related to creation of demand for sanitation, behaviour change (health, hygiene), institutional strengthening and project design, to ensure impact and sustainability.

### 3.2 Complementarity, synergy and donor coordination

For over 10 years, the EU provided budget support in water and sanitation in peri-urban and rural areas. Two recently closed budget support programmes (PASAP and PASAR) of total EUR 47.5 million, allocated 24% to water, 43% to sanitation and sewerage, and 33% to institutional strengthening, technical assistance and DESCOM<sup>17</sup>. Whilst water targets under these Programmes were exceeded every year, sanitation targets rarely reached 100% achievement.

Current water and sanitation financing of cooperation programmes in Bolivia from European cooperation agencies (AFD, KfW, Italian cooperation and AECID) and development banks (WB, CAF and the IADB) can be segregated as follows<sup>18</sup>: i) water and sanitation integrated interventions: USD 925.4 million; ii) water programmes: USD 230.6 million; iii) sanitation programmes: USD 17.5 million. Although some traditional donors are exiting the country as Bolivia became a low-middle income country, support to the sector remains significant. However, resources available still fell short of the sector financing needs, identified at about USD 2,000 million until 2020 (excluding financing needs for wastewater treatment).

This Action will primarily address sanitation, covering the three population segments established by the government of Bolivia. The Budget support will address sanitation in rural ( $\leq 2,000$  inhabitants) and small communities (2,001-10,000), while the large scale project on water resilience in cities will cover urban needs ( $> 10,000$ ). All these will complement a recently signed LAIF delegated cooperation contract with AECID on water and sanitation in peri-urban areas, as well as the EUROCLIMA interventions on urban water resilience, positioning the EU as a countrywide strategic donor to the sector.

Coordination takes place through the Group of Donors on Water and Sanitation (GRAS). The GRAS provides a space for discussion, negotiation and coordination among donors and with the MEW. The group meets to ensure harmonization and alignment of the sector to political priorities. Additionally, and in line with commitments made in the European Joint Strategy for Bolivia, a European Group of Donors on Water and Sanitation was recently created.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Overall objective, specific objectives, expected outputs and indicative activities

**General Objective:** To make effective the human right of access to drinking water and sanitation improving the quality of life and responding to the needs of the Bolivian population.

**Specific objective 1:** Increase people's use of improved sanitation in rural and small communities

**Specific objective 2:** Improve better hygienic practices, with a particular focus on women and children

Expected outputs for specific objectives 1 and 2:

ER1. Women and men from rural areas and small communities have new access to sanitation at household level.

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<sup>17</sup> Community Development

<sup>18</sup> Source: Ministry of Environment and Water (2018)

ER2. Women, men, girls and boys from rural and small communities benefit from new access to sanitation at health centres and schools.

ER3. Adults and children from rural areas and small communities have improved knowledge on sanitary, hygiene and environmental issues.

ER4. Women from rural and small communities have increased opportunities for participation in decision making positions within water and sanitation service providers.

ER5. Sub-national entities and municipalities have enhanced capacities and knowledge on sanitation technologies, health and hygiene issues as well as in gender sensitive project design.

Examples of indicative activities include individual sanitation solutions, sewerage networks, awareness raising and communication campaigns, trainings at schools, capacity development to government staff, etc.

Sanitation technologies will be selected according to the needs and specificities of the beneficiaries, who will be involved in the decision making process during the pre-investment phase and thus ensuring not only availability and accessibility to improved sanitation but also acceptability and quality. This will be done through community development, implemented by the MEW, addressed to beneficiary adults (women and men) and children (girls and boys of less than 18 years old).

**Specific objective 3:** improve water resources management in urban areas, with a focus on reuse.

#### Expected outputs for specific objective 3:

ER1. Population from urban areas have new or improved access to water.

ER2. Population from urban areas have new or improved access to sanitation services.

ER3. A public, transparent and participatory management of water resources is promoted.

ER4. Integrated water resources management are enhanced.

Examples of indicative activities under the large scale project component include:

-New and rehabilitated water and sewerage infrastructure works for water capture, storage and treatment; pumping stations, distribution networks and sewerage allowing for an integrated water resources management; water demand/supply optimization through efficient water monitoring and measuring systems, minimization of unaccounted water/non-revenue water, and communication plans oriented to an appropriate management of the population water rising demand, including increased efficiency of service providers.

-Pre-investment studies and master plans for the implementation of water and sanitation systems to allow for a good technical quality in the future programme phases.

-Institutional strengthening to improve the country's resilience during water shortages and droughts; This will include capacity development and studies on hydric balance, development and implementation of water safety plans; improved climate prediction information and monitoring systems (hydrological modelling, early warning systems etc.), allowing for a better water supply and planning in urban areas.

## **4.2 Intervention Logic**

The Action has been long discussed with the main counterparts, namely the Ministry of Environment and Water, through the Vice-Ministry of Drinking Water and Basic Sanitation and main donors in the sector.

Sectoral meetings with the Ministry of Environment and Water and donors in the country were held and the delegation came to the conclusion that an EU contribution to the sector through

budget sector was necessary to improve ownership and capacity but needed to be complemented with other financing sources in alliance with other donors to reach the necessary scale, given the sector financial needs, particularly for urban areas, and national goals to 2025.

In this respect, several consultations have been carried out to identify a large scale sector intervention in which the EU would not be able to intervene alone. In this context, seven proposals were made from France, Spain, Germany, Sweden, Switzerland and the Inter-American Development Bank. These were all analysed in consultation with the Ministry of Environment and Water in order to select the most advanced intervention with the highest priority.

In consequence, the Action will focus on the needs identified through two different but coordinated financing mechanisms. The budget support component tackles sanitation in rural and small communities, ensuring the government reaches rural and scattered population. The large scale project addresses highly populated and concentrated areas that require high investments and multi-donor interventions.

**Component 1:** A Sector Reform Performance Contract of EUR 20 million to address sanitation gaps in rural areas and small communities of up to 10,000 inhabitants, including schools and health centres. Infrastructure will be accompanied by a "soft" component addressing community development on enhanced hygiene practices, behaviour change, with a focus on women and children, and increasing women participation in decision making-processes. Using budget support reinforces the government institutional capacity towards an enhanced internal financing and implementation system, including its internal monitoring as the programme indicators are aligned to the sector policy. An already ongoing EU Technical Assistance programme will accompany the Budget Support until its end, ensuring that government counterparts count with the necessary capacity to implement foreseen activities.

**Component 2:** Support to a large scale project of ca. EUR 130 million on water resilience in urban areas whereby water supply is ensured whilst its disposal, treatment and reuse is enhanced. The EU contribution of EUR 15 million will complement an IADB loan of USD 100 million, a loan from FONPRODE of USD 30 million, as well as a EUR 3 million grant from the Spanish Agency for International Development Cooperation (AECID). Negotiation and administrative procedures for the AECID grant and the FONPRODE and IADB loans are currently ongoing and meant to be approved before the end of 2018. The Programme will remain open to the integration of other donors, pending their interest and the agreement of IADB and the government of Bolivia. By pooling funding from three experienced donors, the programme diminishes the administrative burden and transaction costs for the government, ensuring coherence and uniformity of intervention at national level, in line with the European Joint Strategy. Indeed, all funds will be implemented according to a common set of rules and procedures. EU contribution of EUR 15 million will be allocated to specific public investments in sanitation in urban areas, development of metropolitan Master plans on water and sanitation and pre-investment studies.

Both components, budget support and project approach, will start implementation in 2019, after signature of a Financing Agreement with the Government of Bolivia.

### 4.3 Mainstreaming

Safe water and improved sanitation leads to direct and indirect benefits on gender equality and empowerment of women and girls, health, education, environment, climate change and human rights.

**Gender:** the Action will ensure girls' and women's physical and psychological integrity by providing access to sanitation at household and school level (budget support indicators N.1 and N.2), which is especially important during the menstrual period, as well as enhancing their hygiene practices -and ultimately their health- through community development (budget support indicator N.3). This will increase girls' access to education and women's participation to the job market or individual economic/household activities. Similarly, the Action will promote participation of women in decision-making positions, measured through budget support indicator N.4, which is about the number of women occupying management positions within service providers.

**Health:** by avoiding open air defecation, people are less exposed to human waste and therefore to a great number of illnesses (cholera, etc.). Similarly, adequate hygiene habits e.g. hand washing and food treatment prevent individuals from getting gastrointestinal diseases, which are one of the major illnesses for children in rural areas.

**Education:** appropriate sanitation facilities (and their use) and enhanced hygiene habits allow children to attend school, guaranteeing their right to education, especially of adolescent girls. Similarly, children are often powerful educators of adults at household levels, when they benefit from effective training programmes.

**Environment and climate change:** climate change, particularly inundations and droughts, may exacerbate the effects of unsafe water and inadequate sanitation on health and environment. During inundations, water sources easily get contaminated, spreading diseases to the population. In the case of droughts, people are exposed to contaminated water sources in those areas where open air defecation is commonly practiced. Individual sanitation solutions will be designed to avoid soil contamination. Likewise, sewerage in large cities will be connected to wastewater treatment thus avoiding that waste disposal contaminates rivers. This Action will therefore contribute to reduce environmental pollution in groundwater, soil, air and rivers, thus preventing people from getting water-borne related diseases. During the first months of the Programme, the Technical Assistance will support the Ministry in the design of a guide for non-contaminating sanitation technologies.

**Rights based approach:** human rights considerations are embedded in the Bolivian sector policy, which recognises and internationally promotes the right of all human being to water and sanitation. Access to information and participation of direct beneficiaries, especially women and children will be promoted in line with the EU right-based approach.

#### **4.4 Contribution to SDGs**

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 6 “Ensure access to water and sanitation for all” while also contributing to SDG 5 on gender equality and SDG 13 on Climate Action.

### **5 IMPLEMENTATION**

#### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

## 5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months (plus 24 months for closure) from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

## 5.3 Implementation of the budget support component

### 5.3.1 Rationale for the amounts allocated to budget support

The amount allocated for the budget support component is EUR 20 million. This amount is based on previous budget support programmes in the water and sanitation sector, where the Ministry of Environment and Water's implementing capacity was measured and assessed (see Policy Eligibility Assessment for more information). In addition, the complexity of sanitation interventions in rural contexts has been taken into account.

The proposed amount includes a fixed tranche (to be disbursed at the beginning of 2019 after signature of the FA) and three variable tranches (in 2020-22).

Interventions under the programme may be executed in the whole national territory.

### 5.3.2 Criteria for disbursement of budget support

a) The general conditions for disbursement of all tranches are as follows:

- Public Policy: satisfactory progress in the implementation of the Sectoral Plan for the Development of Basic Sanitation 2016-2020 and continued credibility and relevance thereof;
- Macroeconomic: maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances
- Public Financing Management: satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme;
- Budget Transparency: satisfactory progress with regard to the public availability of accessible, timely, comprehensive and sound budgetary information.

b) The indicative performance indicators for disbursement that may be used for variable tranches are the following:

<b>Budget Support Expected Results</b>	<b>Indicators and sub-indicators</b>
ER.1.1. Women and men from rural areas and small communities have new access to sanitation at household level	IND 1 - Increase in the number of inhabitants in small communities and rural areas with access to a conventional or non-conventional sanitation systems (new, expanded, improved or existing in operation).  - Sub Ind-1.1 - Number of inhabitants from rural areas ( $\leq 2,000$ inhab.) with new access to conventional and non-conventional sanitation (new, extended, improved or existent and running).

	<ul style="list-style-type: none"> <li>- Sub Ind -1.2 - Number of inhabitants from small communities (2,001-10,000 inhab.) with new access to conventional and non-conventional sanitation (new, extended, improved or existent and running).</li> <li>- Sub Ind -1.3 - Number of inhabitants from rural areas (<math>\leq 2,000</math> inhab.) who have connected to the sanitation service at household level.</li> <li>- Sub Ind -1.4 - Number of inhabitants from small communities (2,001-1,000 inhab.) who have connected to the sanitation service at household level.</li> </ul>
ER.1.2. Women, men, girls and boys from rural and small communities benefit from new access to sanitation at health centres and schools.	<p>IND 2 - Percentage of schools and health facilities, in the areas covered by indicator N.1 which include a new or improved connection to conventional or non-conventional sanitation system.</p> <ul style="list-style-type: none"> <li>- Sub Ind- 2.1 - Percentage of schools in rural areas and small communities benefitted under Indicator N.1 with a new or improved connection to conventional or non-conventional sanitation.</li> <li>- Sub Ind-2.2 - Percentage of health centres in rural areas and small communities benefitted under Indicator N.1 with a new or improved connection to conventional or non-conventional sanitation.</li> </ul>
ER.1.3. Adults and children from rural areas and small communities count with improved knowledge on sanitary, hygiene and environmental issues.	<p>IND 3 - Percentage of population benefitted by Indicator N.1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues.</p> <ul style="list-style-type: none"> <li>- Sub Ind-.3.1- Percentage of rural population (<math>\leq 2,000</math> inhab.) benefitted by Indicator N.1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues (disaggregated by sex).</li> <li>- Sub Ind.3.2- Percentage of population from small communities (2,001-1,000 inhab.) benefitted by Indicator I-1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues.</li> </ul>
ER.1.4. Women from rural and small communities have increased opportunities for participation in decision making positions within water and sanitation service providers.	<p>IND 4- Percentage of EPSA created/benefitted under Indicator N.1 that have, at least, one woman in a leadership and decision-making position.</p>
ER.1.5. Sub-national entities and municipalities have enhanced capacities and knowledge on sanitation technologies, health and hygiene issues as well as and gender sensitive project design.	<p>IND 5- Percentage (or number, whichever is bigger) of municipalities participating in projects covered by Indicator N.1 that have been trained and improved their knowledge on water and sanitation technologies, health, hygiene, solid waste management, gender mainstreaming, project design etc.</p>

The chosen performance indicators and targets to be used for disbursements will apply for the duration of the action. However, in duly justified circumstances, the Ministry of Environment and Water may submit a request to the Commission for the targets and indicators to be changed.

Note that any change to the targets should be agreed ex-ante at the latest by the end of the first quarter of the assessed year. The agreed changes to the targets and indicators shall be agreed in advance and may be authorised in writing (either through a formal amendment to the financing agreement or an exchange of letters).

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### **5.3.3** *Budget support details*

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Bolivian currency will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

## **5.4 Implementation modalities**

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>19</sup>.

### **5.4.1** *Indirect management with a Member State Organisation*

A part of this action may be implemented in indirect management with the Spanish Agency for International Development Cooperation (AECID) and potentially with other interested European agencies (in consortium). This implementation entails the execution of the EU funds under the project on water resilience in cities, through a Contribution Agreement, which will be delegated to the Ministry of Environment and Water. The implementation of the EU funds for this component amounts to EUR 15 million. AECID will also provide technical and managerial input to the programme as well as strategic advice.

The envisaged entity has been selected using the following criteria: AECID has a strong and long standing commitment to the sector, ample expertise in water and sanitation and a significant bilateral contribution to the sector as a whole and to this project in particular, which will amount to EUR 3 million grant and USD 30 million concessional loan. Moreover, the AECID has developed a strong and proven working relationship with the IADB through various programmes jointly implemented in Bolivia, including with LAIF funds. The entrusted entity would carry out the following tasks:

- Implementation of EU funds, equivalent to EUR 15 million;
- Monitor progress against expected results for the whole project and;
- Coordinate and gather information for reporting on the entire project on an annual basis

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<sup>19</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in indirect management with the Inter-American Development Bank or other European development agency. The implementation by this alternative entrusted entity would be justified because of the strong involvement and commitment of the IADB to the project and the sound expertise in the sector and the country. The alternative entrusted entity would implement the same tasks as described for the AECID.

## 5.5 Scope of geographical eligibility for procurement and grants

No procurement or grant contracts are foreseen.

## 5.6 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution (EUR)</b>
<b>Component 1</b> Budget support (cf section 5.3)	20,000,000	
<b>Component 2</b> Indirect management with AECID (cf sections 4.2 and 5.4.1) for project "Water resilience in cities"(*)	15,000,000	133,000,000 (*)
Evaluation, (cf. section 5.9) – Audit (cf. section 5.10)/Expenditure verification	It will be covered by another decision	N.A.
Communication and visibility (cf. section 5.11)	It will be covered by another decision <sup>20</sup>	N.A.
<b>Totals</b>	<b>35,000,000</b>	<b>133,000,000</b>

(\*) Other part of project "Water resilience in cities" is financed by an IDB loan for an amount of USD 100 million, a loan from FONPRODE<sup>21</sup> for an amount of USD 30 million and a grant from AECID for an amount of EUR 3 million.

## 5.7 Organisational set-up and responsibilities

The implementing partner of the budget support component will be the Government of Bolivia, and specifically the MEW. The MEW may sign inter-governmental agreements with departments, municipalities and specialised entities for delegating implementation responsibilities. Overall action coordination, monitoring and reporting duties will lay within the Vice Ministry of Drinking Water and Basic Sanitation (VAPSB) of the MEW.

The implementing partner of the EU funds to the project on water resilience in cities will be AECID. All funding sources of the large scale project will be transferred/sub-delegated to the implementation agency of the MEW.

<sup>20</sup> Communication and visibility activities carried out by the Commission will be financed under contracts LA/2017/389-593 "Comunicación y visibilidad de las acciones de cooperación bilateral de la Unión Europea en Bolivia" and LA/2017/389-324 (Technical Assistance to the MEW).

<sup>21</sup> Fondo para la Promoción del Desarrollo de la AECID

## **5.8 Performance and Results monitoring and reporting**

The disbursement of the tranches will depend on compliance with the eligibility criteria mentioned under section 5.3.2. For each of the mentioned indicators, the baseline will be defined by the Government – Ministry of Environment and Water, with information available from national statistics as well as the Ministry's own information management system.

Moreover, a water and sanitation Performance Assessment Framework 2016-2020 will enable the strategic monitoring of the policy in conjunction with the government of Bolivia and donors. Performance assessment exercises are expected to take place yearly with a review of results achieved in Y-1. Institutional and capacity assessments will be part of the Delegation's policy progress reports, and policy dialogue issues will be reported as part of BS disbursement dossiers.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner's strategy, policy or reform action plan list (for budget support). SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Having regard to the nature of the action, a final and an ex-post evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the innovative nature of the Action which combines a project modality (Contribution Agreement) with budget support. The financing of the evaluation shall be covered by another Decision.

Additionally, a midterm and a final evaluation of the project on water resilience in cities may be contracted by the IADB for problem solving and learning purposes, in particular with respect to the potential future financing to the sector in urban areas.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

### **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

### **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

**APPENDIX – LOGRAME (FOR BUDGET SUPPORT)**

	<b>Results chain</b>	<b>Indicators (max. 15)</b>	<b>Baselines (2017) to be updated</b>	<b>Targets by the end of the budget support contract</b>	<b>Sources of data</b>
<b>Expected impact of the policy (Overall objective)</b>	To make effective the human right of access to drinking water and sanitation improving the quality of life and responding to the needs of the Bolivian population	Prevalence of water borne diseases among benefitted population.	To be determined during the inception phase	To be determined during the inception phase	
<b>Expected outcomes of the policy (Specific objective)</b>	SO1: Increase people’s use of improved sanitation in rural and small communities SO 2: Improve better hygienic practices, with a particular focus on women and children	- Number of inhabitants from rural areas ( $\leq$ 2,000 inhab.) using conventional and non-conventional sanitation (new, extended, improved or existent and running). - Number of inhabitants from small communities (2,001-10,000 inhab.) using conventional and non-conventional sanitation (new, extended, improved or existent and running). - Percentage of people that follow good hygiene practices in their daily lives	To be determined during the inception phase	To be determined during the inception phase	
<b>Induced Outputs</b>	ER1. Women and men from rural areas and small communities have new access to sanitation at household level.	IND 1 - Increase in the number of inhabitants in small communities and rural areas with access to a conventional or non-conventional sanitation systems (new, expanded, improved or existing in operation). I-1.1 - Number of inhabitants from rural areas ( $\leq$ 2,000 inhab.) with new access to conventional and non-conventional sanitation (new, extended, improved or existent and running). I-1.2 - Number of inhabitants from small communities (2,001-10,000 inhab.) with new access to conventional and non-conventional sanitation (new, extended, improved or existent and running). I-1.3 - Number of inhabitants from rural areas ( $\leq$ 2,000 inhab.) who have connected to the sanitation service at household level. I-1.4 - Number of inhabitants from small communities (2,001-1,000 inhab.) who have connected to the sanitation service at household level.	1,492,388  271,965  0  0	1,569,797  316,176  30,764  16,949	Final Acceptance Certificates, EPSA reports

	ER2. Women, men, girls and boys from rural and small communities benefit from new access to sanitation at health centers and schools.	<p>IND 2 - Percentage of schools and health facilities, in the areas covered by indicator N.1 which include a new or improved connection to conventional or non-conventional sanitation system</p> <p>I-2.1 - Percentage of schools in rural areas and small communities benefitted under Indicator N.1 with a new or improved connection to conventional or non-conventional sanitation.</p> <p>I-2.2 - Percentage of health centers in rural areas and small communities benefitted under Indicator N.1 with a new or improved connection to conventional or non-conventional sanitation.</p>	To be defined	100%	Final Acceptance Certificates of sanitation works.
	ER3. Adults and children from rural areas and small communities have improved knowledge on sanitary, hygiene and environmental issues.	<p>IND 3 - Percentage of population benefitted by Indicator N.1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues.</p> <p>I-3.1 - Percentage of rural population (<math>\leq 2,000</math> inhab.) benefitted by Indicator N.1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues (disaggregated by sex).</p> <p>I-3.2 - Percentage of population from small communities (2,001-1,000 inhab.) benefitted by Indicator N.1 that participated in the Community Development (DESCOM) and improved their knowledge on sanitary, hygiene and environmental issues.</p>	0	80%	Minutes, agreements or commitments accompanied by the Health Education Plan, Planning of events (program, contents, memory and materials used). List of participants. Graphic documents. Surveys and monitoring visits will be carry out ex-ante and ex-post by the Technical Assistance ATI to assess the
	ER4. Women from rural and small communities have increased opportunities for participation in decision making positions within water and sanitation service providers.	I-4. - Percentage of EPSA created/benefitted under Indicator N.1 that have, at least, one woman in a leadership and decision-making position.	0	100%	Approved statutes, Document of Legal Entity, nominations and activity reports.
	ER5. Sub-national entities and municipalities have enhanced capacities and knowledge on sanitation technologies, health and hygiene issues as well as in gender sensitive project design.	I-5. - Percentage (or number, whichever is bigger) of municipalities participating in projects covered by Indicator N.1. that have been trained and improved their knowledge on water and sanitation technologies, health, hygiene, solid waste management, gender mainstreaming, project design etc.	0	100% o 60 municipalities	Training Guides developed by the VAPSB, participation certificates in the training, graphic documents, monitoring visits, and surveys to be carry out by the
<b>Direct outputs</b>	Increase in the availability of financing for the implementation of the sectoral policy	Amount of euros disbursed under budget support Disbursement of EU Budget Support.		Up to EUR 20 million	EU disbursement information

	Good level of political dialogue between the MEW and the donor community	Number of meetings / year in each sub-sector, water management and environment.		Four per year	Meeting minutes
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**APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)**

	<b>Results chain: Main expected results (maximum 10)</b>	<b>Indicators (at least one indicator per expected result)</b>	<b>Sources of data</b>	<b>Assumptions</b>
<b>Impact (Overall Objective)</b>	To make effective the human right of access to drinking water and sanitation improving the quality of life and responding to the needs of the Bolivian population		Public Annual accountability reports from the Ministry of Environment and Water	<i>Not applicable</i>

<p><b>Outcome (Specific Objective)</b></p>	<p><b>SO:</b> improve water resources management in urban areas, with a focus on reuse</p>	<ul style="list-style-type: none"> <li>- Number of households that connect and pay for the water and sanitation service</li> <li>- Number of schools that use and maintain in good conditions water and sanitation facilities</li> <li>- Number of health centers that use and maintain in good conditions water and sanitation facilities</li> <li>- Number of community organizations and/or water and sanitation service providers providing enhanced and quality of services</li> <li>- Number of women in decision making positions within community organizations and/or water and sanitation service providers</li> <li>- Number of people practicing improved hygiene practices on their daily lives.</li> <li>- Extent of implementation of new norms, plans, strategies, etc.</li> </ul>	<p>Monitoring reports of the delegated management unit for the project approach component, based on:</p> <ul style="list-style-type: none"> <li>- Monitoring report from the UCP- MMAyA.</li> <li>-Administrative records of Annual Performance Indicators of AAPS.</li> <li>- Audited annual financial statements of the EPSAs.</li> </ul> <p>(Frequency: beginning and end of the project)</p>	<p>There exists political will to invest in the sector in the most needed communities</p> <p>Allocation of sufficient public financing to achieve national targets by 2020 and 2025</p> <p>Political will to increase Institutional capacity at sub-national levels (technical and financial) to ensure sustainability of the actions</p>
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<p><b>Outputs</b></p>	<p>ER1. Population from urban areas have new or improved access to water.</p> <p>ER2. Population from urban areas have new or improved access to sanitation services.</p> <p>ER3. A public, transparent and participatory management of water resources is promoted.</p> <p>ER4. Integrated water resources management are enhanced.</p>	<p>1.1.- Number of people with access to a new or rehabilitated water system at household level  1.2.- Number of health centres with a new or rehabilitated access to a water system  1.3.- Number of schools with a new or rehabilitated water system</p> <p>2.1.- Number of people with access to a new or rehabilitated sanitation facility at household level  2.2.- Number of health centres with access to a new or improved sanitation facility  2.3.- Number of schools with access to a new or improved sanitation facility  2.4.- Number of households served with wastewater treatment</p> <p>3.1.- Number of community organizations and/or water and sanitation service providers created or legally enhanced.  3.2.- Number of women participating on community organizations and/or water and sanitation service providers  3.3.- Number of people, community organizations, service providers or government entities provided with capacity development on technical, administrative, planning and/or integrated water resources management.  3.4.- Number of people benefitted with capacity development on water use and hygiene.</p> <p>4.1.- Number of new or reviewed norms, plans, strategies or policies, national or sectoral  4.2.- Number of plans for operators management improvement designed*  4.3.- Number of Execution plans for drinking water and/or sanitation works elaborated.*  4.4.- Number of Metropolitan Master Plans updated and/or elaborated.*  4.5.- Number of drought and/or flood plans elaborated and implemented  4.6- Number of Hydro-climatic monitoring information networks designed and installed.</p>	<p>Monitoring reports of the delegated management unit for the project approach component. based on:</p> <ul style="list-style-type: none"> <li>-Progress monitoring report (PMR) of the program.</li> <li>- Final Acceptance Certificates.</li> <li>- Report of approval of the application and compliance reports of the AAPS, VAPSB and / or operators.</li> </ul> <p>(Frequency: biannually)</p>
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**ANNEX 3**

of the Commission Implementing Decision on the financing of the annual action programme 2018 and 2019 – part I - in favour of Bolivia to be financed from the general budget of the Union

**Action Document for Support Measures Bolivia**

**ANNUAL PROGRAMME/MEASURE**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<b>1. Title/basic act/ CRIS number</b>	Support Measures Bolivia, CRIS number: LA/2018/ 040-119 financed under the Development Cooperation Instrument	
<b>2. Zone benefiting from the action/location</b>	Bolivia The action shall be carried out at the following location: Bolivia	
<b>3. Programming document</b>	Multiannual Indicative Programme 2017-2020 for Bolivia	
<b>4. SDGs</b>	N/A	
<b>5. Sector of intervention/ thematic area</b>	Support measure – monitoring, evaluations, studies, formulation of programmes, audits.	DEV. Assistance: YES
<b>6. Amounts concerned</b>	Total estimated cost: EUR 1 000 000 Total amount of EU budget contribution EUR 1 000 000	
<b>7. Aid modality(ies) and implementation modality(ies)</b>	Project Modality <b>Direct management</b> through: Procurement	
<b>8 a) DAC code(s)</b>	43010 – Multisector Aid	
<b>b) Main Delivery Channel</b>	Private Sector Institutions - 60000	

<b>9. Markers (from CRIS DAC form)<sup>1</sup></b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	X	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment <sup>2</sup>	X	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagship</b>	N/A			

#### SUMMARY

Bolivia is considered a low middle income country and its economy is one of the fastest growing economies in the region. Although poverty and inequality in the distribution of income are still high, there has been progress in recent years.

In 2016, the new 2016-2020 Economic and Social Development Plan (PDES) was approved. The PDES constitutes the strategic framework and starting point for prioritization of development goals, results and actions. The PDES constitutes the backbone of the Bolivian mid-term planning and it is the framework within which international cooperation funds are allocated.

It is also the bases of the Joint European Strategy for Bolivia 2017-2020 and of the EU Delegation to Bolivia's Multiannual Indicative Programme 2017-2020, which identifies the following focal sectors: Justice reform and fight against corruption; Fight against illicit drugs and control of surplus coca cultivation; and Water, sanitation and natural resources management. The Delegation work in these sectors contribute to the achievement of the following Sustainable Development Goals (SDGs): SDG 2 - Zero Hunger, SDG 3 - Good Health and Wellbeing, SDG 5 - Gender Equality, SDG 6 - Clean water and Sanitation, SDG 12 - Responsible Consumption and Production, SDG 15 - Life on Land, SDG 16 - Peace, Justice and Strong Institutions.

<sup>1</sup> When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

<sup>2</sup> Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

This action aims to provide resources to support the work of the Delegation in achieving the above mentioned SDGs. Better learning through audits and evaluations, more knowledge thanks to sector studies and in-depth gender analysis, better strategic and programming documents and increased reach thanks to greater recognition among counterparts and beneficiaries, will contribute to improve the quality of EU cooperation work in Bolivia, which in turn will mean a greater contribution to the general objective of eradicating extreme poverty and reaching the targets sets by the SDGs.

## **1 CONTEXT ANALYSIS**

### **1.1 Context Description**

Bolivia, officially the Plurinational State of Bolivia, is a land-locked country with a relatively scattered population of 10.1 million inhabitants, located in the center-west of South America. Its surface (1.01 million km<sup>2</sup>) is the sixth largest in Latin America and includes different geographical zones, being one of the countries with the greatest biodiversity in the world.

Politically, it is constituted as a Plurinational State, decentralized and with autonomies. It is divided into nine departments. Sucre is the constitutional capital and seat of the judicial organ, while La Paz is the seat of the executive, legislative and electoral organs.

Currently, Bolivia is considered a low middle income country. The latest figures indicate an annual per capita income of approximately USD 3,500 (USD 1,010 in 2005 and USD 1,700 in 2010). Although poverty and inequality in the distribution of income are still high, there has been progress in recent years. The Gini coefficient dropped from 0.62 in 2000 to 0.458 in 2015, while moderate and extreme poverty rates were reduced from 60.6 and 38.2% in 2006 to 38.6 and 16.8% in 2015, respectively. Bolivia's authorities have been pursuing macroeconomic policies oriented to stabilization, growth and expansion of GDP, while reducing poverty and inequality through conditional transfers and subsidies. Despite some criticisms (some of the local policies are considered restrictive), Bolivian economy is still one of the fastest growing economies in the region.

In March 9, 2016, the new 2016-2020 Economic and Social Development Plan (PDES) was approved and enacted as a State bill. The PDES constitutes the strategic framework and starting point for prioritization of development goals, results and actions. It is based on the Patriotic Agenda 2025 and the Government Programme 2015-2020. The PDES has a five year implementation period and a foreseen investment of approximately USD 49 billion in various productive sectors, with emphasis on raw materials transformation and industrialization. The PDES constitutes the backbone of the Bolivian mid-term planning and it is the framework within which international cooperation funds are allocated.

Bolivia has a good formal basis for the exercise of human rights (HRs). The country has ratified the main international and regional human rights treaties and national legislation is generally in line with international standards. The current Constitution (2009) is generally viewed positively, and guarantees an unprecedented number of HRs. In 2013, Bolivia adopted new legislation on violence against women, trafficking and sexual violence and a national plan to address racism and discrimination. In 2014 laws on family, children and adolescents

were passed. In 2016, the country adopted an advanced legislation on lesbian, gay, bisexual and transgender people (LGBTI) rights.

However, lack of funding and institutional capacity continues to represent a challenge to the systematic and effective implementation of legislation related to human rights. In particular, the widespread violence against women, girls and children represents a major human rights concern. As one of nine countries benefitting from the GSP+ scheme, Bolivia is subject to regular monitoring of its compliance with 27 International Conventions.

## **1.2 Policy Framework (Global, EU)**

Through the implementation of studies, evaluations, audits and support to the formulation of new programmes, this action aims to support the work of the EU Delegation to Bolivia in achieving the objectives stated in the Multiannual Indicative Programme 2017-2020 (MIP) and in the Joint European Strategy for Bolivia 2017-2020. The MIP identifies the following focal sectors:

1. Justice reform and fight against corruption
2. Fight against illicit drugs and control of surplus coca cultivation
3. Water, sanitation and natural resources management

The work of the Delegation in the proposed sectors will contribute to the 2030 Agenda, and in particular to the following SDGs: SDG 2 - Zero Hunger, SDG 3 - Good Health and Wellbeing, SDG 5 - Gender Equality, SDG 6 - Clean water and Sanitation, SDG 12 - Responsible Consumption and Production, SDG 15 - Life on Land, SDG 16 - Peace, Justice and Strong Institutions.

By supporting EU's actions in the mentioned sectors, this action also contributes, although indirectly, to the same SDGs.

The action is also aligned with the New European Consensus on Development, in which the evaluations proposed in this action will contribute to better support policy formulation (cf. par 89 of the New Consensus).

## **1.3 Public Policy Analysis of the partner country**

This intervention does not support directly a specific sector policy of the partner country. However, as it will support and improve the work of the Cooperation Section of the EU Delegation to Bolivia, it will indirectly support the overall development policy of the Government of Bolivia. For this reason, a short reference to the Bolivian Economic and Social Development Plan 2016-2020 (PDES) seems appropriate.

The PDES, approved and enacted as a state bill in March 2016, constitutes the strategic framework and starting point for prioritization of goals, results and actions to be implemented in the period 2016-20 for the development of Bolivia. The Joint European Strategy 2017-20 and the EU DEL MIP 2017-20 are both aligned to it.

The PDES main objective is to generate the necessary conditions for the eradication of extreme poverty through different measures directly related to the following thirteen pillars: 1. Eradication of extreme poverty; 2. Universalization of basic services; 3. Health, education and

sport; 4. Scientific and technological sovereignty; 5. Community and financial sovereignty; 6. Productive sovereignty with diversification; 7. Sovereignty over natural resources; 8. Food sovereignty; 9. Environmental sovereignty with comprehensive development; 10. Complementary integration of the people with sovereignty; 11. Sovereignty and transparency in public administration; 12. Joy and happiness; 13. Sovereign reunion with joy, happiness, prosperity and with the sea.

The PDES foresees, for its five years duration, an investment of approximately USD 49 billion in various productive sectors, with emphasis on raw materials transformation and industrialization. Over 60% of the investments will be channelled to three priority areas: the hydrocarbon sector, infrastructure and energy. Tourism will also play an important role. Revenues from tourism are expected to reach USD 1.6 billion with a twofold increase in the number of international visitors as a result of an aggressive advertising campaign. Investment in innovation and technology development (R&D) will be mandatory for all public institutions. Finally investments will also be made in the health sector to create a public healthcare service and to build, renovate and provide equipment for 227 hospitals with an indicative budget of USD 1.7 billion.

<b>SECTOR</b>	<b>%</b>	<b>Amount in millions USD</b>
Environment and water	10%	4.857,40
Social	11%	5.343,14
Infrastructure	23%	11.172,02
Productive	56%	27.201,44
<b>TOTAL</b>	<b>100%</b>	<b>48.574,00</b>

Source: PDES - MPD

The Government expects the Plan to be funded mainly through local resources but also with the participation of international cooperation institutions (39% of the total, including grants and loans).

The full implementation of the Plan would mean that almost USD 3.7 billion of external funds should be contracted every year and that the central, regional, local governments significantly increase their spending capacity. This seems implausible. However, even though the PDES seems to be too optimistic, the Delegation considers the Plan as a relevant and credible (if overambitious) strategic document and a step forward to a comprehensive mid-term planning that allows better prioritization and will eventually result in a better internal and external resource allocation.

**1.4 Stakeholder analysis**

The main institutional counterpart of the Delegation is the Ministry of Planning for Development (MPD), through its Vice Ministry for Planning of External Financing (VIPFE). The MPD is in charge of the general coordination of international cooperation to Bolivia. It approves EU financed programmes presented by line Ministries and co-signs Financing Agreement and their modifications.

The Ministries of Justice, Rural Development, Interior and Environment and Water, are beneficiaries of EU cooperation through various programmes. The EU Delegation has a close

coordination with them and their relevant depending agencies. The evaluations to be financed under this action, as well as the visibility initiatives, will concern programmes implemented by or coordinated with one or more of these institutions.

As this action will also support the formulation of the new Joint Programming document 2021-27, EU Member States present in the country will also benefit from it. At the moment, Belgium, Germany, Denmark, Spain, France, Italy, Sweden and United Kingdom are active in the country, although Belgium and Denmark will close activities soon. Switzerland, as a like-minded partner, also participates in Joint Programming activities.

The general Bolivian population will indirectly benefit from the action, as it will contribute to increase the effectiveness of EU development programmes in the country.

### 1.5 Problem analysis

Cooperation staff in Delegation is kept fully occupied by day to day management of the portfolio. Carrying out additional tasks, as studies or formulation exercises, obliges to difficult trade-offs.

In addition, the Delegation does not always possess sufficient in house expertise on some specific topics, to be able to run satisfactorily evaluation and in depth studies.

Likewise, Cooperation staff knowledge and time to ensure proper visibility of actions is limited.

All the above will be compounded by turnover in 2019, when both the head and deputy head of cooperation will leave the Delegation and be replaced by new colleagues who, although surely well experienced, will have to spend extra time to get to know the country and the portfolio, while at the same time having to start the formulation of new strategies and programmes.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
The GoB is against or does not collaborate in carrying out evaluations of budget support operations.	L	The Del coordinates closely with the government, to ensure agreement and buy in.
EU MS in the country disengage from the JP process	L	The Del ensures proper coordination and that added value of the JP is recognised.
<b>Assumptions</b>		
The main assumption of this Action is that EU Cooperation to Bolivia will continue after 2020, in a similar form and with a similar amount of resources as in the previous cycle.		

### **3 LESSONS LEARNT AND COMPLEMENTARITY**

#### **3.1 Lessons learnt**

The long and complex joint programming process that was successfully concluded in 2017, with the approval of the Joint European Strategy for Bolivia 2017-20, demonstrated the importance to have external support during its formulation. Preparation of the document required a lot of time and effort, not least for the need to coordinate 10 different MS/cooperation agencies. The contracted consultant that helped in the first part of formulation was key to discharge Cooperation staff of some of the most menial work and helped in reducing the time necessary to reach a final draft of the document. As some MS close their classical cooperation and reduce their staff, while the focus of their presence shifts to other, complementary areas of work (trade, technology transfer, capacity development), counting with support for the formulation of the new Joint Programming 2021-27 will be once again necessary.

Up to the beginning of 2016 and then again from late 2017, the Delegation to Bolivia counted with a communication and visibility contract to guarantee proper communication of EU identity, values and of its activities in the country. The period between contracts (beginning of 2016 to late 2017) evidenced the stark contrast between having the support of a professional communication team and having to rely on the spare time and good will of cooperation staff and counterparts. Indeed, the period between contracts was characterized by loss of space in the media, lower visibility and a shift from communicating what the EU *is* to only communicating what the EU *does*, a much more limited and short-sighted approach.

The importance of evaluations to inform policies and programmes is well recognised in the Commission. In Bolivia, there have been very interesting examples of this learning process. However, at times evaluations had to be limited in scope or skipped altogether due to lack of resources. This action will allow carrying out proper evaluation for those programmes that did not foresee, but that ended up needing one.

As policy priorities shift, in Brussels or in Bolivia, the need to carry out an in depth study of a sector or topic may arise. This was the case, for example, of the gender sector study that was requested to Delegations in the framework of the GAP II. In that case, the Delegation had to comply with the limited resources available, which resulted in a study that was limited both in scope and quality. Additionally, some studies may be highly sensitive for the host country (in Bolivia, this is the case for example of studies on mega energy projects, migration, human rights, etc). It is therefore highly recommendable to have some resources set aside outside of a Financing Agreement, to carry out those unforeseen or sensitive studies that may become necessary.

#### **3.2 Complementarity, synergy and donor coordination**

The EU and the Member States present in the country (plus Switzerland) count with a Joint European Strategy 2017-20, which identifies focal sectors of each cooperation and a European leader for each sector. European sector meetings are already taking place, improving coordination and complementing pre-existing sectors meetings that involved the greater donor community.

Monthly heads of cooperation meetings (in the framework of the Grupo de Socios para el Desarrollo) and European heads of cooperation meetings complete the donor coordination

framework. This action will further support coordination thanks to its support to the new Joint Programming exercise foreseen for 2021.

The action is complementary to existing interventions, in which will provide funds for the evaluation and audit of ongoing programmes, studies of cross-cutting interest (e.g. gender, environment), and visibility for the whole portfolio.

#### **4 DESCRIPTION OF THE ACTION**

##### **4.1 Overall objective, specific objective(s), expected outputs and indicative activities**

Overall objective: the EU supports Bolivia in eradicating extreme poverty, in the framework of the SDGs.

Specific objective: the EU support to Bolivia is improved in terms of quality and recognition.

Expected outputs:

R1: the EU DEL to Bolivia capacity to review, learn and control is improved, thanks to more in-depth studies and proper and timely evaluations and audits of programmes and projects.

R2: the EU DEL to Bolivia counts with better strategic and programming documents (MIP 2021-2027 and future Action Documents).

R3: the EU DEL to Bolivia and MS present in the country count with a far-fetching and comprehensive Joint Programming Document for the period 2021-2027.

R4: the EU DEL to Bolivia is recognised as a main donor to the country and a strategic partner and its identity and values are known to counterparts and the Bolivian population.

Indicative activities include:

- **Preparation of new action documents and of the MIP and Joint Programming documents for the period 2021-2027.** Support measures will allow the Delegation to contract consultants to support them. The formulation of new actions and the preparation of the next MIP will give the opportunity to conduct policy strengthening activities. This implies direct support to the authorities through sectoral assessment, capacity-building activities (workshops, trainings, etc.), the organisation of stakeholders roundtables, etc. In addition, previous experience in the formulation of Joint Programming documents showed the importance to have external support during the consultation and drafting process. EU Member States present in the country will also benefit from it. It is estimated that 5 contracts will be needed.
- **Preparation of sector studies and in-depth analysis.** As policy priorities shift, in Brussels or in Bolivia, the need to carry out in depth studies of a sector or topic may arise. Some studies may be sensitive for the host country (in Bolivia, this is the case for example of studies on mega energy projects, migration, environment, etc). It is therefore highly recommendable to have some resources set aside outside of a

Financing Agreement, to carry out those unforeseen or sensitive studies that may become necessary. **Environment** has already been identified as an area where the Delegation needs further analysis. It is estimated that 6 contracts will be needed for this type of activities.

- **Contracting of consultant to support the Delegation in mainstreaming gender and human rights.** Support measures will allow the Delegation to conduct specific capacity-building and awareness rising activities in those two areas. Additional resources will also be allocated to the elaboration of an in-depth gender analysis. Indeed, a similar study was requested to Delegations in the framework of the GAP II. At that time, the Delegation had to comply with the limited resources available, which resulted in a study that was limited both in scope and quality.
- **Contracting (in 2020) of a visibility and communication firm (contract starting in 2021).**
- **Evaluation and audits of programmes and projects (including budget support operations).** Evaluation and audits are not necessarily foreseen in the budget of ongoing programmes. They are desperately needed when preparing future actions and giving visibility to the results of our actions. It is estimated that 6 contracts will be needed for this type of activities.

## **4.2 Intervention Logic**

Better learning through evaluations, more knowledge thanks to sector studies and in-depth gender analysis, better strategic and programming documents and increased reach thanks to greater recognition among counterparts and beneficiaries, will contribute to improve the quality of EU cooperation work in Bolivia, which in turn will mean a greater contribution to the general objective of eradicating extreme poverty and reaching the targets sets by the SDGs.

## **4.3 Mainstreaming**

The action will contribute to better gender mainstreaming, thanks to new studies on the topic and increased quality of programming and strategy formulation through the support of specialised consultants. The action will also help in mainstreaming environment, as new studies and evaluation of programmes will contribute to step up interventions in this sector.

## **4.4 Contribution to SDGs**

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDGs: SDG 2 - Zero Hunger, SDG 3 - Good Health and Wellbeing, SDG 5 - Gender Equality, SDG 6 - Clean water and Sanitation, SDG 12 - Responsible Consumption and Production, SDG 15 - Life on Land, SDG 16 - Peace, Justice and Strong Institution. As mentioned above, the contribution will be indirect, through improved EU cooperation to the country.

## 5 IMPLEMENTATION

### 5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country.

### 5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

### 5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>3</sup>.

#### 5.3.1 Procurement (direct management)

All the results identified in section 4.1 will be achieved through procurement in direct management.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Studies, audits and evaluations of other programmes/actions	Services	Throughout 2019 and 2020
Consultancies for formulation of JP, MIP, ADs	Services	ADs: 1 <sup>st</sup> q. 2019 and 3 <sup>rd</sup> 2020 MIP and JP: 2 <sup>nd</sup> q. 2020
Communication and visibility	Services	3 <sup>rd</sup> q. 2020

### 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

<sup>3</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- a) The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 5.5 Indicative budget

	<b>EU contribution (EUR)</b>	<b>Indicative third party contribution</b>
<b>Procurement (direct management)</b>		
Studies, evaluations and audits of other programmes ( <u>indicative</u> n. of contracts: 6)	400 000	0
Consultancies for formulation purposes ( <u>indicative</u> n. of contracts: 5)	300 000	0
Communication and visibility contract (1 contract)	300 000	0
<b>Totals</b>	<b>1 000 000</b>	<b>0</b>

### 5.6 Organisational set-up and responsibilities

All the contracts will be managed by the Delegation in direct management. Government counterparts, civil society and MS will be consulted and involved according to the nature and objective of the evaluation/study/formulation. In the case of the communication and visibility contract, it will be managed by the Cooperation section in close cooperation with the Political section of the Delegation.

### 5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner’s strategy, policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

### **5.8 Evaluation**

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

### **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

### **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

It is foreseen that a contract for communication and visibility may be contracted.

## APPENDIX - INDICATIVE LOGFRAME MATRIX

	Results chain:	Indicators	Sources of data	Assumptions
<b>Impact (Overall Objective)</b>	The EU supports Bolivia in eradicating extreme poverty, in the framework of the SDGs.	Poverty rates. SDGs rates of achievement for Bolivia in MIP's Focal Sectors	Bolivia's and international reports on poverty and achievement of SDGs	<i>Not applicable</i>
<b>Outcome(s) (Specific Objective(s))</b>	The EU support to Bolivia is improved in terms of quality and recognition.	<i>EU cooperation registers an improvement in the OECD peer review reports. Knowledge of EU values and work in the country increased among main stakeholders.</i>	OECD peer reports; visibility and communication surveys	EU Cooperation to Bolivia will continue after 2020, in a similar form and with a similar amount of resources as in the previous cycle
<b>Outputs</b>	<p>R1: the EU DEL to Bolivia capacity to review, learn and control is improved, thanks to more in-depth studies and proper and timely evaluations and audits of programmes and projects.</p> <p>R2: the EU DEL to Bolivia counts with better strategic and programming documents (MIP 2021-2027 and future Action Documents).</p> <p>R3: the EU DEL to Bolivia and MS present in the country count with a far-fetching and comprehensive Joint Programming Document for the period 2021-2027.</p> <p>R4: the EU DEL to Bolivia is recognised as a main donor to the country and a strategic partner and its identity and values are known to counterparts and the Bolivian population.</p>	<p>N. of evaluated programmes and projects increased.</p> <p>MIP and Action Documents presented timely and approved.</p> <p>Joint Programming Document approved by end 2020.</p> <p>Increased number of people in Bolivia know EU values and work in the country.</p>	<p>EAMR</p> <p>Internal data</p> <p>Internal data</p> <p>Visibility and communication surveys</p>	EU Cooperation to Bolivia will continue after 2020, in a similar form and with a similar amount of resources as in the previous cycle